

WORLD NEWS

Yugoslavs say Albania aids 'terrorists'

By Guy Diamond in Belgrade

Yugoslavia said yesterday its armed forces had killed 23 "terrorists" attempting to cross from Albania into Serbia's southern province of Kosovo, and accused the Albanian government of providing them with weapons and training.

The federal army said some of the infiltrators had been identified as Albanians from Kosovo, where government forces are fighting se-

paratist rebels of the Kosovo Liberation Army (KLA).

The army maintains it suffered no casualties in two separate clashes on Thursday in mountains on Kosovo's south-western border with Albania. An army video showed bodies scattered among boulders as well as grenades, mortars, automatic weapons and Albanian newspapers.

The official news agency Tanjug said the Yugoslav foreign ministry had lodged

a protest accusing the Albanian government of training and arming "terrorists" and sending them across the border.

Fatos Nano, the Albanian prime minister, has denied similar allegations in the past.

Albanian officials said Yugoslav aircraft intruded into Albanian airspace on Thursday. Rexhep Meidani, the Albanian president, yesterday appointed a new defence minister, Luan Hajdaraga, to succeed Sabit Bro-

koj, who was sacked by Mr Nano for poor management during the crisis in Kosovo.

Serbian police forces killed over 80 ethnic Albanians in an offensive against KLA strongholds in central Kosovo that began in late February.

Official said the turnout in a referendum held throughout Serbia on Thursday was 73.06 per cent, and that 94.43 per cent had voted against a foreign role in resolving the crisis. Slobodan Milosevic, the Yugoslav

president, has dismissed US threats of tighter economic sanctions and is using the referendum to bolster his negotiating position.

Albanians say they number over 90 per cent of Kosovo's estimated 2m people, a figure disputed by Serbia. Most Albanians demand recognition of their self-proclaimed Republic of Kosovo while western governments have urged Belgrade to grant the province meaningful autonomy.

Denmark facing national strike

By Tim Burt

Denmark faces the prospect of widespread industrial action next week after industrial and transport sector workers rejected a new two-year wage settlement. Poul Nyrop Rasmussen, the prime minister, said the referendum on the European Union Amsterdam Treaty on May 28 would go ahead despite the strike threat.

Union leaders are expected to order a national strike after 56 per cent of their members voted against a wage deal that would have increased wages by 4.25 per cent this year and 4 per cent next. Up to 400,000 union members are expected to strike on Monday, hampering manufacturing production and disrupting transport networks.

The strike could be the most significant industrial action in Denmark since a similar dispute in 1988.

Its likely impact was underlined yesterday when Scandinavian Airlines System, the largest carrier in the region, said it was cancelling all flights to and from Copenhagen from Monday.

Although public sector employees and the financial services industry are not involved in the dispute, Danish economists said failure to achieve wage restraint could undermine export industries and damage government efforts to prevent the economy overheating.

Jorgen Buer Christensen, chief economist at Den Danske Bank, warned that the government could be forced to intervene if the disruption was prolonged. "Everyone is waiting to see how quickly the government will step in to resolve this situation," he said.

However, Mr Rasmussen appeared to distance his government from taking an active role in the dispute. The prime minister, a former trade union economist whose Social Democratic party relies on union support, said: "It is the partners in the labour market who have negotiated this settlement. It is they who should solve the conflict. They have the responsibility."

Fears that the strike could delay the EU referendum adversely affected Danish share and bond prices yesterday. In Copenhagen, the KFX index closed down 5.46 points, or almost 2.3 per cent, at 234.27.

Some economists warned that it could be difficult for the ruling Social Democrats to force through an unpopular wage deal and risk alienating union supporters. They said trade union backing could prove important for the government in its bid to secure a Yes vote on the Amsterdam Treaty.

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Lebed campaigns to come in from the Siberian cold

Boris Yeltsin could face a new political challenge from his former national security adviser, reports Chrystia Freeland

April could yet prove to be the cruellest month for President Boris Yeltsin, despite his last-gasp success yesterday in winning parliamentary approval for the appointment of Sergei Kiriyenko as prime minister.

Tomorrow Mr Yeltsin may have to come to terms with the political resurrection of Alexander Lebed, an even more formidable opponent than the Communists who opposed Mr Kiriyenko's appointment.

Expelled from the Kremlin, where he was Mr Yeltsin's national security adviser, in October 1996, the flamboyant former paratroop general has dropped into the heart of Siberia to relaunch his political career. Mr Lebed is running in tomorrow's gubernatorial elections in Krasnoyarsk, a remote, mineral-rich province in the centre of Russia's vast Eurasian plains.

International celebrities have got in on the act. To the delight of Siberians, and the incredulity of the Moscow media, Alain Delon, the French film star, has turned out to be an avid Lebed supporter. This week he flew across a continent and a half to prove it.

The unlikely alliance between the suave French heart-throb, whose movies are still popular in Russia, and the gruff Cold War general was forged last year when the two men first met in a Paris television studio. Mr Lebed greeted Mr Delon by quoting the lyrics of a Russian pop song devoted to the French actor: "Alain Delon speaks French. Alain Delon doesn't drink de-

cologne, he drinks double bourbon."

Mr Lebed's performance was apparently impressive enough to draw Mr Delon to the gritty streets of Krasnoyarsk, where he told 3,000 fans: "Yes, this is me. I am here for you and for him."

More controversially, Mr Lebed has also attracted the support - and financing - of the Machiavelli of Russian politics, Boris Berezovsky, a businessman and self-proclaimed "public politician".

Mr Berezovsky went on television last week to admit that he was backing Mr Lebed. However, with the strange mixture of openness and cunning with typifies Russian politics, he explained he was supporting the former general not because he agreed with his policies, but purely to create a counterweight to other populists, nationalist politicians, particularly Yuri Luzhkov, the mayor of Moscow.



Lebed (right) brings the French film star Alain Delon to join his campaign in Siberia

country's increasingly comfortable "party of power" if he made it to the Kremlin.

Unluckily of all, though, is Mr Zubov, an English-speaking former economics professor and Siberian native who was a shoo-in until Mr Lebed's decision to try to capture a Siberian stronghold.

Backed by the tightly controlled local media and buoyed by local suspicion of outsiders, Mr Zubov is slightly ahead of Mr Lebed in a race most pollsters say is too close to call.

Analysts say the most likely outcome is that no candidate will win the required 50 per cent majority tomorrow. That would force a run-off between the top two candidates - probably Mr Zubov and Mr Lebed - some time over the next few weeks. Mr Delon, Mr Luzhkov, and maybe even Mr Yeltsin, had better begin booking their hotel rooms who might well shake up the

Call for tax on aviation fuel

By Charles Batchelor, Transport Correspondent

European environmental groups yesterday stepped up their campaign for a tax on aviation fuel to reduce aircraft emissions by lobbying the first combined meeting of European Union environmental and transport ministers.

Ministers at the meeting in Chester were confronted by banners calling for a tax on aviation fuel. Environmentalists called for ministers to use teleconferencing for their next meeting to make a contribution to reducing air travel.

Environmentalists are calling for a tax to be imposed on carbon dioxide and nitrogen oxide emissions from aircraft or for a direct tax on aviation fuel. They want to put up the price of air travel to encourage people to switch to high-speed trains.

A study by the Dutch Centre for Energy Conservation showed that a tax of 20 US cents on a litre of fuel would reduce CO₂ emissions by about 30 per cent in Europe by 2010.

The tax system was already biased in favour of air travel, with no VAT on tickets and no tax on aviation fuel anywhere in the world, said Jeff Gazzard of Friends of the Earth. Air travel also benefited from the low cost of fuel which is only a quarter of the average world cost of petrol.

cent by 2025 by encouraging airlines to make technical improvements and by damping demands for air travel. If no action was taken air travel from civil aircraft was expected to triple by 2015.

The Right Price for Air Travel campaign, which brings together 250 environmental groups from 20 European countries, plans to put pressure on ministers to put proposals for a tax on aviation fuel at the formal European council meeting in June, campaigners said.

Environmentalists are concerned that a revival in recent months of a campaign to allow the continuation of duty free sales in Europe would continue to receive an unfair subsidy.

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Witnesses said small groups of convicts dressed in pink uniforms were tied to posts, had black hoods placed over their heads and were then shot in the chest one by one by masked policemen standing less than a metre away. Tens of thousands watched the executions at a sports field in the capital and four other sites, picked because they were the scenes of massacres in 1994 of between 500,000 and a million Tutsis and moderate.

The United Nations, the US State Department, the Pope and many human rights organisations had appealed for clemency, arguing that executions would further brutalise a population already traumatised by violence. They said many of the more than 100 prisoners so far sentenced to death in Rwanda had not received fair trials. Michele Wrong

GREENHOUSE GASES

EU to sign Kyoto protocol

The European Union yesterday revealed plans to sign the Kyoto protocol for tackling climate change next Wednesday, making it the first big player to head towards ratification of the world's most ambitious environmental accord.

Rit Bjerregaard, the EU's environment commissioner, said she and John Prescott, the UK deputy prime minister and current president of the EU council of ministers, would sign the accord at the United Nations in New York. "We thought it important to send a signal that we are not slowing down after Kyoto," Ms Bjerregaard said. The Kyoto agreement last December committed the EU, the US, and Japan to cutting their greenhouse gas emissions by 8.7, and 6 per cent by 2010. But the curbs, expected to change fossil fuel use patterns, have no legal force until the accord is ratified. Leyla Boufoun, London

BIS FORECAST

Euro as reserve currency

The euro will become increasingly important as a reserve currency, according to Andrew Crockett, general manager of the Bank for International Settlements.

Mr Crockett told the British-Swiss chamber of commerce in Zurich that the dollar's emergence as the world's most important reserve currency reflected the size of the US economy, the depth of the New York financial markets, and the willingness of the US authorities for the dollar to assume its international reserve role.

The growth of the euro's role as a rival reserve currency would depend on the emergence of a much "deeper and more liquid" market in euros which in turn would depend on the speed and extent to which European financial centres and markets are integrated. William Hall, Zurich

Zurich Insurance to study Holocaust claims

By William Hall in Zurich

Zurich Insurance, Switzerland's biggest insurance company, has become the first international insurer to set up an independent commission to review and resolve disputed life insurance claims dating back to the Holocaust era.

Zurich's decision to set up its own independent investigation is a sign that leading insurance companies are concerned that they will become involved in the same sort of legal battles with US Holocaust survivors as the big three Swiss banks.

Zurich is one of several large European insurance companies being probed by US insurance regulators over allegations they withheld policies sold before 1945 to Jewish clients and others persecuted by the Nazis.

Three weeks ago, Zurich, along with Germany's Allianz, France's Axa, and Italy's Generali, agreed to set up an international commission to resolve Holocaust claims following pressure from regulators

in California and New York.

Rolf Hüppi, Zurich's chairman and chief executive, said that his company had a "very small involvement" in the life insurance business in Europe before and during the second world war. Its share of the market at the time was 0.02 per cent. "But, regardless of the small number of policies issued, anyone contacting Zurich believing they have a legitimate claim must have the confidence that their claim is processed and evaluated in a just and compassionate manner."

The investigation will be supported by Arthur Andersen, the international accounting firm. The committee, which will not have a chairman, consists of John Whitehead, a former senior partner of Goldman Sachs, Arthur Schneier, senior rabbi of New York's Park East Synagogue, György Szűcsy, president of the National Bank of Hungary, and Margrit Bigler-Eggensperger, a former Swiss supreme court justice.

Zurich's decision to take

the initiative and try to defend a potentially damaging public relations problem contrasts with the behaviour of the Swiss banks, which have been slow to respond to the demands of Holocaust survivors.

The banks finally set up a committee of independent experts, headed by Paul Volcker, former chairman of the US Federal Reserve, which is searching for unclaimed bank accounts.

However, the work of this committee has taken longer than expected. Next Monday, Stuart Eizenstat, US Secretary of state, will hold a meeting in Washington where the lawyers for both sides will start discussing the sums of money that will be needed to end the actions.

Zurich's new commission will have full access to all files on policies and policyholders relating to disputed claims. It has also established free telephone helplines. The numbers are 1-800-885 301 9740 in the US and 0800 822 000 in Switzerland.

Zurich magazine this week indicated that hoteliers in the 10 World Cup locations had raised prices by an average of 41 per cent during the tournament.

Zurich is certainly still credited with full marks at Fifa headquarters in Zurich. "We think that they have done an extremely good job in all aspects," the body said yesterday. "As far as ticketing is concerned, there is no system that could have satisfied the demand."

There are more teams than ever before in this year's tournament. France is also easily accessible to large numbers of fans from western Europe who

are both keen enough and affluent enough to consider attending.

With the exception of the 80,000-seat Stade de France and Marseilles's 60,000-seat Stade Vélodrome, French stadiums, though expensively refurbished, are comparatively small. This is an inescapable legacy in a country less passionate about its football than, say, Brazil or Italy.

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Silver lining to World Cup clouds

By David Owen in Paris

It has not been a good week for the French organisers of this year's soccer World Cup.

Already under fire over the shortage of tickets for sale outside France, the Comité Français d'Organisation (CFO) was further pilloried when the special telephone hotline it set up to sell the last 110,000 tickets could not cope with millions of calls from desperate European fans.

The chaos produced a torrent of abuse, with the UK sports minister describing the situation as "wholly unsatisfactory". Sepp Blatter, general secretary of Fifa,

promised to review the ticket allocation system for future World Cups.

However, the outcry this week has been so shrill that it threatens to obscure the degree to which France has so far made rather a good fist of organising its first World Cup for 60 years. The tournament begins in June.

Centrepiece of the French efforts is the breathtaking new FF12.7m (US\$14m) Stade de France stadium at Saint-Denis, near Paris, where the World Cup final will be held. But there have been other, lower-profile initiatives.

For example, thousands of volunteers have been organ-

ised to fulfil various functions at the 10 venues where matches will take place. At Saint-Denis, for instance, organisers believe press photographers will be able to hand rolls of film to volunteers during a game and pick them up, ready developed.

A dedicated reservation service for World Cup-related hotel and travel bookings, called Mondial, has also been established. It

Euro clears last hurdle
German parliament

INTERNATIONAL

Japan's emergency package may break the fall but it won't put the economy back on its feet

Paul Abrahams explains the limitations of Tokyo's economic crisis measures

The scale of the economic U-turn made yesterday by Ryutaro Hashimoto should not be underestimated. Japan's beleaguered prime minister had previously publicly committed himself to reducing the size of the government deficit, and in particular to halting the issue of deficit financing bonds by March 2004.

But yesterday Mr Hashimoto in effect admitted he had been wrong. His attempts at fiscal rectitude through the combination of government spending cuts and tax increases had a disastrous impact on the economy, which is in its worst slump since the 1970s oil shock. Instead, he now plans to pump at least Y12,000bn (820bn) of tax cuts and additional spending into the economy. He has also been forced to extend the date for suspending deficit bond issuance to March 2006.

Although there has been plenty of criticism of Mr Hashimoto's handling of the economy from politicians and businessmen alike, his

position looks safe at least until the legislative elections in July. One reason is that there are no realistic alternative candidates who would want the job at a time like this.

In spite of the scale of Mr Hashimoto's humiliation, there is little indication that his efforts will provide the framework for sustainable economic growth. True, the package is bigger than expected. That much was evident from the reaction of the markets - early details boosted the stock market and yen, and forced down bond prices.

There is little doubt a package of this scale will have some impact. Most analysts believe it should prevent the economy from spiralling down a deflationary spiral. They argue it should secure a bottom below which the economy should not fall, but that it is not sufficient to provide sustainable growth. James Morgan, economist at HSBC in Tokyo, for example, predicts that even with the latest package, economic



Japan's prime minister, Ryutaro Hashimoto, answers questions yesterday about his attempt to kickstart the flagging economy. Reuters

growth will be zero this fiscal year.

The problem is not so much the scale of the package, but its contents. About Y7,700bn is to be spent on public works programmes - more than had been predicted. Such investments have an immediate impact on the economy because about 10 per cent of the active workforce is involved in construction. But economists say the "multiplier effect" - or additional economic activity generated - is low. The advantage for Mr Hashimoto's Liberal Democratic party (LDP) of public works spending is that it can

be aimed at marginal constituencies. In other words, it is politically efficient, even if it is economically inefficient.

The other main concern is the lack of permanent tax cuts. So far, Y2,000bn of income tax cuts have been announced for this year and another Y2,000bn for 1999. However, consumer confidence is so low that there are fears most households will save their rebates rather than spend them. Critics argue any tax cuts must be permanent, but the best indication about the issue was from Hikaru Matsunaga, finance minister, who yesterday

said the LDP's tax panel would continue to ponder the question.

All this may merely be the economics equivalent of counting angels on pinheads. Since Japan's so-called bubble economy collapsed in the early 1990s, the government has announced packages with headline figures of more than Y72,000bn. Yet sustainable growth remains elusive and the economy remains mired in recession.

The latest package will probably buy some time. What is required, say economists, is that that time should be used to accelerate

deregulation and undertake a massive restructuring of Japan's inefficient domestic industry. But the barriers to such change are huge. Most of the pressure groups that hold sway over the LDP have every interest in blocking moves for radical restructuring.

Some visionary leadership at the top of the LDP would be needed to overcome these powerful and entrenched conservative forces. Such leadership is lacking. Instead, Mr Hashimoto has fallen back on the LDP's most traditional form of economically inefficient pork-barrel policies.

By Louise Lucas in Hong Kong

Retail sales in Hong Kong have suffered their biggest fall since the collection of statistics began in 1981.

The volume of sales in February was 19 per cent below that of February 1997, according to government figures released yesterday. Taking January and February together - to counter the effect of the lunar new year, which fell in January last year and February this year - the decline was 15 per cent.

The drop is much sharper than the 9.7 per cent fall in June 1998, when Hong Kong suffered a crisis of confidence after the Tiananmen Square protests in Beijing were crushed.

Hong Kong shoppers have been cutting spending as their disposable income has fallen because of higher interest rates and falling share and property prices, while job insecurity is rising.

Figures released last week show unemployment at 3.5 per cent, a three-year high.

"Consumer spending power has decreased substantially, and spending sentiment is not there," said the Hong Kong Retail Management Association. Alan Wong, retail analyst at W.L. Carr, added: "The longer the unemployment rate rises, the longer people will withhold funds from spending."

Department stores took the biggest hit, with sales down 28 per cent by volume for January and February. Several stores have been forced to close, including Yachan of Japan, or reduce the scale of their operations, such as Duty Free Shoppers (Hong Kong), controlled by LVMH, the French luxury goods company.

Retailers do not expect sales to pick up in the short term. "It's a matter of people gaining confidence," said Roberto Dominici, managing director at Joyce Boutique Holdings, which sells Prada and Armani among other designer labels.

"People are now wondering what will happen in Japan and China. These are big questions, and until they are resolved the uncertainties in Asia will continue."

Ramifications from Japan have already been felt. A dearth of visitors from Japan has led the fall in tourism, while Japanese expatriates are also going home. Japanese banks are reducing lending in Hong Kong. Daiwa Securities yesterday was the latest to announce redundancies in Hong Kong.

Research by Dong Tao, senior regional economist at CSFB, shows that 300 out of 1,500 pupils did not return to the main Japanese international school after the Christmas break.

Questions are also starting to be raised over the economy of mainland China.

House vote throws new IMF funding into doubt

By Nancy Dunn in Washington

A proposed \$90bn expansion of resources for the International Monetary Fund was in doubt yesterday after a House of Representatives vote to block swift passage of legislation authorising the US share of the resources.

The reaction of other IMF members to a possible reduction or elimination of the promised new funds from the US is still unclear. But a definitive vote against an increase in funding would be a blow to US claims to economic leadership.

The administration's standing in trade negotiations has already been damaged by President Bill Clinton's failure to win congressional approval for new powers to agree to trade deals.

The \$90bn increase in the IMF's capital base was agreed in the wake of the Asian economic crisis, to provide the IMF with funds if new crises arise.

As well as supplying \$14.5bn towards the expansion in the capital base, Washington agreed to supply

Speaker Newt Gingrich, voted against the IMF, saying further hearings had to be held.

"They are over-pandering to their far-right element," claimed one congressional aide.

IMF supporters said much would depend on how much energy the business lobby devoted to getting the IMF package approved. Myron Brilliant, manager of the Ad Hoc Coalition for IMF Replenishment, a group of 300 companies and associations, said more than 100 lobbyists would be meeting yesterday to plot strategy.

"Some [House] members might feel with the booming economy that there is no urgency," he said. "But the trade deficit is widening and agriculture exports will be down at least 3.5 per cent in Asia."

Failure of the IMF legislation would be a blow to Robert Rubin, Treasury secretary, who has led the push to increase IMF funding and is widely reported to be preparing to leave the administration.

'China still keen to open markets'

By James Kyne in Beijing

China has regained momentum in its bid to join the World Trade Organisation and retains its enthusiasm for market opening measures, Charlene Barshefsky, the US trade representative, said yesterday.

But she ruled out special treatment for China in what she termed "very serious dollars and cents commercial negotiations".

Beijing's widely applauded commitment not to devalue its currency despite export pressures was not a factor assisting its accession into the world trade body, Ms Barshefsky said. Chinese officials have sought to use international plaudits for their stand against devaluation to smooth their entry to the WTO.

The new momentum in US-China talks appears to raise the chances that President Clinton may be able to deliver a statement of encouragement to Beijing on joining the WTO during a summit in June.

Ms Barshefsky said she discussed with Chinese officials market opening in the areas of accountancy, distribution, telecommunications, banking, securities and insurance.

China hopes to join the WTO on the softer terms applied to developing countries but the US and other western nations have opposed this, saying the country's strength in exports is more typical of a developed nation.

There were, however, some difficulties in her talks with Wu Yi, a state councilor, and Shi Guangsheng, the trade minister. Ms Barshefsky said she was concerned over a Chinese ban on direct selling this week which has hit the operations of US companies such as Amway, Avon and Mary Kay Cosmetics in China.

"It is a very serious matter when the government bans the operations of legitimate investors," she said. The first stage of the US approach would be to seek a resolution of this issue, said Ms Barshefsky, adding that it was premature to talk about retaliation.

China's large trade surplus with the US was also a cause for concern, as was a proliferation in the counterfeiting of seals of approval on electronics goods from China to the US, she said.

This, however, had to be set against the considerable progress China had made in stamping out intellectual property piracy over the past two years. Some 64 factories making pirate software, video cassette disks and other items had been closed down, she said.

Microsoft complains of smears

By Louise Kehoe in San Francisco and Richard Wolff in Washington

Microsoft yesterday complained that leaks about its antitrust investigation were being used to sway public opinion against it.

"There seems to be a deliberate attempt by someone - most likely our competitors but possibly others - to unfairly try this case in the court of public opinion, based on leaks and innuendo. This is unfair, unfortunate and an abuse of the system," the US software company said.

Microsoft's comments followed publication yesterday

of a report that the Justice Department was investigating a meeting of senior Microsoft executives with their counterparts from rival Netscape Communications in May 1995.

Details of what happened at the meeting are in dispute, but it is alleged that Microsoft attempted to persuade Netscape to avoid competing with it in the market for internet browser software.

"We categorically deny that Microsoft ever suggested divvying up any market whatever," Microsoft said. "This is a fiction created by Netscape to advance its agenda."

In particular Marc Andreessen, Netscape co-founder and chief technology officer, was providing his counterparts from rival Netscape Communications with "bizarre" accounts of the meeting, Microsoft charged.

Justice Department investigators said they could not confirm the accuracy of either side's version of the events.

They added that the meeting was just one of a series of incidents which form part of the department's antitrust investigation into Microsoft's business practices.

Netscape yesterday confirmed that it had discussed the May 1995 meeting with Justice Department investigators.

The Justice Department is expected to decide soon on whether to file new antitrust charges against Microsoft.

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INTERNATIONAL

Plans for Mideast economic summit suspended

By Mark Huband in Cairo

US-backed plans to hold a Middle East and North Africa economic summit have been suspended because of the impasse in the Middle East peace process.

The Geneva-based World Economic Forum (WEF) announced yesterday it had abandoned plans to hold the fifth economic summit of Middle East and North

Africa nations, five months after Arab states boycotted a similar meeting in protest at Israel's refusal to abide by agreements it had signed with the Palestinians.

The WEF said the suspension would stay in effect until it was convinced a summit would help bolster economic integration and reconciliation.

It said it would resume preparations for a summit if conditions improved.

Four previous annual summits have been held as part of a US strategy to foster economic integration between Israel and the Arab states. Such integration was intended to run parallel to the Middle East peace process.

The Israeli government's refusal to abide by agreements to withdraw its troops from the West Bank is expected to bring the collapse of the peace process by mid-

June, if a deadline for withdrawals is not met.

Last November's boycott of the Doha summit in the Gulf emirate of Qatar, by all but a handful of Arab states, was led by the key US allies in the region, Egypt and Saudi Arabia. The boycott was the clearest sign up to that point that Arab states would resist US pressure to forge closer ties with Israel before a settlement with the Palestinians.

Yesterday's announcement by the WEF, the body which

organises the annual Davos meeting of business and politicians, followed discussions with both regional business and political leaders as well as US diplomats.

The suspension is now expected to lead to US recognition that economic integration cannot precede a political settlement between Israel and the Palestinians. Few Arab business people have created strong public ties with Israeli business, and

some of those who have now regret their decisions.

"There was a time when I would have invited [Israel's prime minister Benjamin] Netanyahu to my house," said one Arab businessman who has developed such ties. "But now I regret that I ever thought it would really lead to anything. So, he would not be invited if he came to my country."

Shades of hatred, Page 6

Canada breaks Cuba's isolation

By Edward Alden in Ottawa and Pascal Fletcher in Havana

With Canada's capital basking in its baldest spring in decades, no one can accuse Jean Chrétien of visiting Cuba just to enjoy the sun, like the other 170,000 Canadians who flee harsh winters for the island every year.

The prime minister's two-day visit, which begins tomorrow evening, is the culmination of a determined four-year campaign by Mr Chrétien to end Cuba's diplomatic isolation. Starting with the Miami hemispheric summit of 1994, he has rarely missed an opportunity to protest and embarrass the US to persuade it drop its sanctions against the island.

While the gooding has had little effect on Washington, it has elevated Canada's standing in the hemisphere and left the US isolated. At last weekend's 34-nation summit in Santiago, where news of Mr Chrétien's visit was leaked by an American official, the US stood virtually alone in opposing Cuba's eventual participation in the negotiations to create a free trade area of the Americas.

"The trip by the prime minister is the fulfilment of our belief in engagement," says Sergio Marchi, the trade minister. "Canada is prepared to say we'd rather have Cuba at the table."

Canada's goal is "to re-integrate Cuba into the region," said another senior official. That includes full membership in the Organisation of American States, which suspended Cuba in 1962 at Washington's instigation.

Cuba's communist government, which routinely hails every visit by international figures as a blow to US efforts to isolate it politi-

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Reuters

Australian docks wrangle goes on

By Gwen Robinson in Sydney

More than a third of Australia's freight container facilities stood idle yesterday, as legal proceedings in the country's worst industrial dispute for decades moved into extra time.

The high court, the country's supreme judicial authority, yesterday gave Patrick Stevedores, Australia's second largest port operator, a further stay until Monday on a federal court order to reinstate 1,400 dockers dismissed earlier this month.

The decision was a setback to the Maritime Union of

Australia, after its victory on Tuesday with a federal court judgment ordering Patrick to reinstate the dismissed workers.

But commentators saw yesterday's extension as a minor irritant in a battle that has already delivered an important psychological win for the maritime union, which holds a monopoly on waterfront labour.

Patrick won the freeze on the reinstatement order until Monday, when it will seek leave to appeal before the high court's full bench in Canberra. The judge who made the ruling said Patrick's case appeared "not insignificant", although he said he was making no assessment of its merits.

Both sides continued yesterday to consider ways to reach a compromise, although a deal to end industrial action would depend on the outcome of Patrick's high court appeal. Regardless of its appeal, Patrick must also face a protracted civil trial over the maritime union's allegation of an "unlawful conspiracy" between the company, the government and the National Farmers' Federation against the union.

A further complication could arise from the union's threats to include Patrick's bankers in the conspiracy charges, on the grounds that they financed the company with knowledge of its plan to replace its labour force with non-unionised workers.

The civil trial is expected to begin suffering if the dispute drags on. While Patrick's rivals are operating normally with union labour, industrial action over the last few weeks has left 11,000 containers stranded on the dockside.

Some economists have warned the dispute could cut into Australia's economic growth if it drags on, hitting importers and exporters.

the prime minister, about government involvement in Patrick's actions. Mr Howard yesterday expressed determination to push for waterfront reform: "Court decisions come and go, but government determination to achieve reforms on the Australian waterfront remains completely undiminished," he said.

Economists say Australia's trade performance is likely to begin suffering if the dispute drags on. While Patrick's rivals are operating normally with union labour, industrial action over the last few weeks has left 11,000 containers stranded on the dockside.

Some economists have

clearly delighted by the visit. It was so delighted in fact, that Mr Castro quickly revised his schedule so Mr Chrétien could arrive a day early and return home for a crucial parliamentary vote on Tuesday night.

Canada is Cuba's leading trade and investment partner, with more than C\$700m (US\$600m) in two-way trade in 1997 and C\$610m invested by Canadian companies Sherritt International, the mining and energy group, pioneered joint ventures in mining and oil production, and was one of the first companies sanctioned under the US Helms-Burton legislation in 1996.

Mr Chrétien and Mr Castro will cut the ribbon on a new terminal at Havana's airport, which was built by a Canadian company, Intelecom Technologies, with the help of C\$38m in guaranteed loans from Canada's Export Development Corporation.

Foreign ministers of the two nations signed a 14-point action plan in January 1997 that includes carefully worded clauses establishing a programme of co-operation and exchanges on human rights and good governance, the first time Cuba had agreed to work with a western nation on these issues.

The policy bore some fruit earlier this month when 14 political prisoners were released from Cuba and sent to Canada, some of the 300 prisoners Mr Castro agreed to release in response to an appeal from Pope John Paul.

But so far Cuba has proved itself more willing to talk about these issues than to make any concrete moves to reform its one-party political system or the laws that penalise dissidents. The Cuban foreign ministry said Havana would accept no political conditions for rejoining the OAS.

Mr Marchi says Cuba's reintegration into the region requires progress towards the democracy and open markets that have swept the rest of Latin America. But unlike the European Union, Canada does not link trade and co-operation to such progress.

For its part, the Cuban leadership clearly appreciates this treatment from Canada. Senior Cuban officials say that because of Canada's "respectful" attitude, there are "no taboos" in subjects that can be discussed between the two sides.

Death robs Cardoso of good cop, bad cop

By Geoff Dyer in São Paulo

Wiping away tears in the second time in three days, Fernando Henrique Cardoso, Brazil's president, cut a lonely figure on Wednesday afternoon at Salvador airport. "It is as if I have lost two brothers," he said.

Mr Cardoso had just broken off a state visit to Spain in order to return for the funeral of Luiz Eduardo Magalhães, the government leader in the lower house of Congress, who died suddenly on Tuesday night at the age of 43.

On Monday Mr Cardoso had cancelled his appointments to fly to São Paulo for the funeral of Sérgio Motta, the communications minister and his closest political friend.

It has been the most emotional week in Brazilian politics since Tancredo Neves, the president-elect, died days before he was due to take up office in 1985. And it has been a week which has left Mr Cardoso politically exposed.

The two deaths have struck right at the weakest point of Mr Cardoso's government - its relationship with Brazil's unwieldy Congress.

Mr Cardoso, a former sociology professor, has assembled a skilled team of ministers who have won plaudits for their handling of the economy and foreign rela-

tions. But the legislation needed to underpin economic stability has proceeded at a snail's pace.

The social security reform, the most important part of the government's programme, has languished in Congress for nearly three years. Critics say the highly intellectual government is uneducated in the darker skills of political management.

Mr Motta and Mr Magalhães were the president's main political operators, the two members of his government who were capable of getting things done in Congress.

They acted out a form of "good cop/bad cop" routine. Mr Magalhães, who always wore expensive Italian ties, would use his suave charm on recalcitrant deputies; the belligerent Mr Motta preferred a more confrontational approach.

"In political terms the president has lost use of both his arms," one deputy said this week.

This is particularly true of Mr Magalhães' father, Antonio Carlos Magalhães, the president of the Senate and for two decades one of the most important politicians in the country. His own energetic support for Mr Cardoso was part of his grand plan to get his son and political heir elected president. But on Wednesday, as he buried the second of his four children, he looked a broken man.

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Cambridge University aims to rival MIT

By Simon Targett,
Education Correspondent

Unilever and British Petroleum are to give £22.5m (\$33.8m) to Cambridge University in one of the biggest corporate sponsorship deals with a UK academic institution. The deal, to be ratified on Monday, follows the \$20m gift for a world class computer laboratory by Bill Gates, the founder of Microsoft.

It means Cambridge can develop a new science campus on the outskirts of the

city, which is intended to rival the Massachusetts Institute of Technology and is being hailed as Cambridge's "MIT by the Mill", a reference to the motorway closest to the city.

In an indication of the deal's importance, Tony Blair, the prime minister, is expected to welcome the investment from two global companies as a sign that the country's top universities rank among the best in the world and not just belong to Britain.

Unilever is understood to

be putting £18m into a new research "cyber-centre" for molecular sciences, to be named after the company, which could accelerate the creation of new drugs to tackle so-called "superbugs".

The investment, to be released over five years, will provide for a new professorship and a new high-tech building devoted to storing and making accessible to researchers worldwide - the details of every major breakthrough relating to the molecular sciences.

The Unilever centre will

be based within the chemistry department, which was given a world-class ranking in the last national research assessment exercise.

British Petroleum is expected to provide £15.5m for the establishment of a "BP Institute", headed by a new professor, to carry out environmental and industrial research into oil, gas and water.

The interdisciplinary institute, financed by a £1.3m annual grant for the next 15 years, will be located alongside the Microsoft-backed

computer laboratory on the university's "West Cambridge" campus.

Sir Norman Foster, one of Britain's pre-eminent architects, has completed a conceptual model for developing Cambridge's science-based campus which, in the long term, is expected to house most of the university's science and engineering departments.

British Petroleum already has a major financial commitment in Cambridge, with an endowment for the BP professorship in organic

chemistry, a £1m donation for laser equipment and £2m for the refurbishment of laboratories.

But, the latest sponsorship by Unilever and BP represents the single biggest commercial investment in Cambridge.

University academics are to be asked to approve the deal next week. The companies are understood to have assured academics that the injection of commercial funds will not compromise their freedom to conduct independent research.

NEWS DIGEST

FINANCIAL SERVICES AUTHORITY

Bankers Trust executive to head markets unit

The Financial Services Authority yesterday completed its line-up of senior directors with the appointment of Gay Evans from Bankers Trust to head its markets and exchanges division. The announcement came as legislation switching responsibility for banking supervision from the Bank of England to the FSA gained final approval in parliament. Ms Evans, who is also chairman of the International Swaps and Derivatives Association, has spent 20 years in the fixed income and foreign exchange markets, working as managing director of risk management services for Bankers Trust in New York and London.

She was until recently Bankers Trust's global EMU programme director, and is co-chair of a Federal Reserve Bank of New York committee on principles and practices for wholesale financial market transactions. She will join the FSA in September. George Graham, London

Exporters say 'Cool Britannia' image is big boost

By Richard Adams
and Alice Rawsthorn

The rebranding of the UK as "Cool Britannia", promoted by the Labour government's attempts to embrace the creative industries, is proving popular with hard-pressed exporters.

Recent surveys have reported falling sales and orders by manufacturing exporters, blamed on the strong pound. A survey by DHL International, the express delivery carriers, says the success of the creative industries is making UK goods more desirable.

A majority of 1,000 exporters surveyed by DHL said the UK's fashion, film and music industries had a "positive impact" in promoting UK goods. Only one in three companies said the three areas had had no impact.

Films in particular were seen as most positive, with 80 per cent of companies saying their effect was positive.

The Blair administration has been criticised for its efforts to forge closer links with creative sectors - by the UK media, which has ridiculed the spectacle of middle-aged ministers mingling with pop stars, and by outspoken musicians or actors who have objected to aspects of Labour policy.

Other European countries, notably France and Italy, have adopted similar strategies of trying to enhance international perceptions of other areas of the economy by association with glamourous high-profile industries.

London-based exporters are the most enthusiastic supporters of the repositioning, while those in the south-west of England and Scotland are the least impressed about the impact of fashion and music on the UK's image overseas.

• The UK economy slowed in the first quarter this year, adding weight to recent statistics suggesting that interest rates have peaked. Richard Adams writes.

Economic output rose 0.4 per cent between January and March, compared with 0.6 per cent in the final quarter of last year, implying that lower industrial production and falling exports have put a brake on faster growth.

First quarter growth was the slowest since the second quarter of 1995. The annual rate was trimmed to 2.8 per cent, 0.1 percentage points below the previous quarter.

Analysts warned the figures are often revised.

Weaker employment and retail sales figures this week also supported the Bank of England's decision to keep interest rates unchanged. A survey published today shows consumers are likely to have used higher incomes to pay off existing debts rather than on retail spending.

NUCLEAR REPROCESSING

Uranium reaches Scotland

The controversial consignment of 5kg of spent uranium from Georgia reached the Dounreay nuclear complex in northern Scotland yesterday. It was flown to Kincardine, near Inverness, on two US Air Force Galaxy air freighters, from the Georgian capital of Tbilisi, and continued to the far north of Scotland in a sealed truck.

Not all the 5kg of enriched uranium can be broken down into medical isotopes for treating cancer. Some 0.8kg of the material, transferred to Britain after an agreement between US President Bill Clinton and Tony Blair, UK prime minister, is spent fuel which can only be stored or reprocessed. Britain is one of the only countries in the world which has facilities for reprocessing. Its commercial reprocessing business is run by British Nuclear Fuels. Leyla Boulton, London

NURSES' CONVICTION

King Fahd considers petition

The Saudi Arabian embassy in London said yesterday that King Fahd was "sympathetically" considering a petition from the families of the two British nurses convicted of murdering an Australian colleague. The petition appealed to the king to pardon Deborah Parry and Lucille McLaughlin and release them from prison as soon as possible. The statement follows a visit to the Kingdom last week by Tony Blair, the prime minister, and the fact the embassy made it public could suggest the nurses might soon be released. Routha Khalaf, London

WINCOTT FOUNDATION AWARD

FT writer wins for second time

Martin Wolf, economic commentator for the Financial Times, yesterday became joint winner of the Wincott Foundation award for senior financial journalist of the year. Iain Carson of the Economist was the other joint winner. Mr Wolf was previously joint winner for 1989.

The Wincott press awards are given in memory of Harold Wincott, a long-serving columnist on the FT and the leading financial commentator of his time. They are intended to promote achievement in economic, financial and business journalism. William Dawkins, London

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Sporting truce may bolster N Ireland peace

The end of an 1884 gaelic football ban on British forces would be highly symbolic, says John Murray Brown

One of the lesser known wrangles of the Northern Ireland troubles could soon be patched up with the British army likely to withdraw its base from the Crossmaglen Rangers football ground in south Armagh near the border with the Republic of Ireland.

In the wake of the peace agreement, Mo Mowlam, the chief Northern Ireland minister in the UK government, has indicated that the area could be returned to the club.

In exchange, the Gaelic Athletic Association, one of the bastions of Irish Catholic culture, looks set to end a ban imposed in 1884 on British security personnel playing hurling, or gaelic football.

The rules state: "Members of the British armed forces and the police shall not be eligible for membership of the association. A member of the association participating in dances, or similar entertainment, promoted by or under the patronage of such bodies shall incur a suspension of at least 3 months."

The deal has been personally driven by Bertie Ahern, the Irish prime minister - a keen GAA fan - who in a speech to last weekend's annual GAA congress urged a lifting of the ban which he said "impinged on the atmosphere of peace and reconciliation".

Rule 21 - which dates from an era when gaelic sports were a focus of national resistance to the British rule - bars members of both the Royal Ulster Constabulary and the British army.

The GAA, like rugby but



Overshadowed: The perimeter fence of a British army base is at one end of the Crossmaglen Rangers ground near the Irish border

Man of 79 is beaten and shot in 'punishment attack'

A 79-year-old man was recovering in hospital in Northern Ireland yesterday after being tied up and shot in both legs in a paramilitary-style attack in Belfast, the region's principal city.

Several masked men forced their way into the man's home in the New Lodge area of the city and shot him in both knees

and ankles. The victim was also beaten about the head during the attack. Police said the assault was puzzling because of the victim's age, but they confirmed that it bore all the hallmarks of a so-called "punishment shooting".

Martin Morgan, a city councillor in the moderate nationalist Social Democratic and Labour

party, said there could be no excuse for the attack.

"These men who carried this out are not the heroes of New Lodge; they are cowards," he said.

In another incident, a 20-year-old man was shot in both legs during an attack on the nationalist Twinbrook estate in south Belfast.

used to be kicked off by a Roman Catholic bishop.

As a result, its image as a Catholic nationalist sport meant many Protestants felt excluded. It has also made the GAA a target for "loyalist" paramilitaries. Among the spate of killings by the Loyalist Volunteer Force at the start of the year, three GAA officials were murdered.

But things are changing. The GAA is waking up to potential of selling the game to a wider audience. It was only two years ago that Croke Park, the sport's headquarters, allowed commercial sponsorship.

Local GAA clubs used to confine their business in the Irish language - which meant that priests and schoolteachers tended to have a disproportionate influence in the organisation. This All-Ireland final

is to inflation, for increases to be phased in over three years, or for the bands affecting duty to be altered. "As the bill stands, it will drive visitors from London to other European cities," Mr Fallon said.

The increase in the top rate of gaming duty from 33% per cent to 40 per cent particularly affects London's 21 casinos which last year paid 80 per cent of the duty.

Opposition Conservatives have tabled several amendments offering a compromise on the gaming duty increases when the finance bill resumes its House of Commons committee stage on Tuesday.

"This was a slapped-down, last minute measure which was ill thought through," said Michael Fallon, shadow Treasury minister.

Mr Fallon has put forward proposals either for gaming duty increases to be linked

to inflation, or for increases to be phased in over three years.

Analysts warned the figures are often revised.

Weaker employment and retail sales figures this week also supported the Bank of England's decision to keep interest rates unchanged. A survey published today shows consumers are likely to have used higher incomes to pay off existing debts rather than on retail spending.

London Clubs International, operator of seven of the capital's 21 casinos, estimates that the rise will wipe one third off its annual profits.

It held a two-hour meeting on Wednesday with customs and excise and plans to meet Treasury officials on May 7.

London Clubs has argued that one option would be for the tax to be more evenly spread across all casinos.

Analysts warned the figures are often revised.

Weaker employment and retail sales figures this week also supported the Bank of England's decision to keep interest rates unchanged. A survey published today shows consumers are likely to have used higher incomes to pay off existing debts rather than on retail spending.

Analysts warned the figures are often revised.

Scourge of the gangsters punches his weight in retirement

Ex-police chief 'Nipper' Read, president of the British Boxing Board of Control, talks to Harry Mullian about the sport he loves

There is an avuncular air about Leonard "Nipper" Read, scourge of the notorious Kray gang and president of the British Boxing Board of Control. The highlight of his police career was the dismantling of the Kray brothers' 1960s empire in the east end of London which earned him the Queen's Police Medal, the force's highest award.

In retirement, he has devoted his still considerable energies to the administration of professional boxing. It is a pleasing and satisfying role for a man who has

been hooked on the sport since boyhood.

"I started boxing at school, and won my first medal at 13 or 14," he recalls. "I boxed in the navy during the war, and when I joined the police afterwards I won the police lightweight title three

FINANCIAL TIMES

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Saturday April 25 1998

Goldilocks on speed

Money managers around the world have been conditioned, in recent decades, to accept that structural appreciation is a natural condition for the yen and the D-Mark. It is difficult, then, to adjust to the extraordinary depreciation of the Japanese currency since 1995; still more so to come to terms with the recent weakness and now the imminent demise of the D-Mark. With the overwhelming vote of the lower house of the German parliament this week in support of the euro, the German currency has reached its twilight hour.

Such currency upheavals often coincide with difficult adjustments in the underlying economies of the countries concerned. And certainly the two most impressive economic recovery stories of the postwar period appear to have run out of momentum in the 1990s. In addressing problems of economic maturity, German and Japanese consensualism seems to have reached the limits of the

value of the yen. They can also be exaggerated. A cyclical economic upturn is now under way. But there are structural difficulties, especially in relation to the ageing of the population, which the traditional debate between the social partners cannot easily resolve.

For Germany the stresses are related in part to the one-off challenge of unification. They can also be exaggerated. A cyclical economic upturn is now under way. But there are structural difficulties, especially in relation to the ageing of the population, which the traditional debate between the social partners cannot easily resolve.

The postwar compromise between capital and labour in Germany found expression in a central trade-off. Savers and investors accepted below-market returns so that industry could enjoy a low cost of capital. They were then compensated on retirement with very generous state pension benefits.

With slower growth, more open capital markets and a growing number of retired people in relation to the population of working age, such trade-offs are no longer viable. Yet the politics of reducing pension benefits or raising public expenditure to deal with demographic strains are fraught.

In Japan, too, the cost of capital was artificially low. But there investors were compensated for low income returns by fat capital gains in a very buoyant stock market. The gains came to an abrupt end in 1989, when the stock market bubble burst. Since then Japan has suffered an overhang of debt. It has an excess of savings in relation to the investment opportunities in the underlying economy, which ensures an endemic trade surplus and a bias towards stagnation.

Yesterday the Japanese parlia-

As Jews prepare to celebrate the 50th anniversary of the birth of Israel, Arab writers and artists are gathering in Beirut for a season of mourning.

In commemoration of *nakba al-falastin* – the Palestinian "catastrophe" – the Beirut Theatre Company has organised three months of films, plays and lectures to reflect on the disaster inflicted on Arabs in 1948.

The event took a nasty turn even before it started. The theatre company has cancelled invitations to three Arab intellectuals whose Jewish origin had offended radicals in Beirut. Leaflets appeared from a Syrian Nationalist party and the forgotten Abu Nidal Palestinian terrorist group denouncing the participation of Jews.

Elias Khoury, head of the theatre company, is not what one would normally call "soft" on Israel. He opposed the 1993 Oslo peace accords between Israel and the Palestinians and would not sit on the same panel with an Israeli – even if Lebanese law permitted it. Yet even he admits to feeling "embarrassment and sadness" at his decision to ask the Arab Jews to stay away.

As this example shows, there are revealing gradations in the hostility of Arabs to Israel. Attitudes range from uncompromising and aggressive rejection of the very existence of a Jewish state to a wary and grudging acceptance of Israel's presence in the region. These sentiments often cut across social class so that businessmen, for example, include both some of the most pragmatic and some of the most uncompromising in their attitudes to Israel.

Over the past year or so, however, Arab attitudes have hardened: though shades of opinion remain, all have become tougher and more opposed to Israel.

It was the peace process, started with the 1991 Madrid conference, that brought about an upheaval. For years, Arab schools and universities, newspapers and books, and Arab government rhetoric had instilled in

generations the notion that Israel was the evil oppressor of the Arab people and violent conqueror of their land. Suddenly, Israel was to become the peace partner. And for peace to survive, perceptions of Israel had to be reshaped.

Hanan Ashrawi, the Palestinian Authority's minister for higher education, recalls that after the Madrid conference, when Israel agreed to return Arab land in exchange for peace, olive branches were being placed in Israeli tanks and demonstrations were held in the West Bank against suicide bombings in Israel. Arab writers who had feared to voice their conviction in co-existence with Israel felt liberated. Israel was no longer taboo. Businessmen who had long harboured a secret admiration for its achievements and its high-tech expertise could openly argue for the benefits of co-operation.

"Now," says Mrs Ashrawi, "Palestinians feel targeted by state violence so there is no moral outrage at [suicide bombing].

From Rabat to Riyadh, the Palestinian cause and the struggle with Israel have shaped Arab attitudes and identity. Arab regimes, some of which have persecuted the Palestinians (Jordan, for example, threw the Palestinian Liberation Organisation out of the country in 1970), have skillfully manipulated the Palestinian cause to consolidate their rule and rally populations behind them.

Hence the tragedy of Israel's 50th anniversary: just as the difficult change in Arab perceptions towards Israel had begun to sink in, the peace process started to disintegrate. Arabs have been left with a bitter taste of deception, which has reignited hatred and fanatical reactions.

"With the peace process, Israel was becoming a normal adversary; it was being trivialised," says Ghassan Salama, a professor at Paris' Institut d'Etudes Politiques. "But [Benjamin] Netanyahu [the Israeli prime minister] made it again a factor which touches every Arab's dignity."

Israel has always stirred the strongest emotions among Arabs.

What do Arabs think of Israel? **Roula Khalaf** on how attitudes have hardened as the peace process has unravelled



Cooler relations: during the past year Israelis have again been viewed as 'oppressors' by Arabs

1994. "After Madrid [the 1991 peace conference] and Oslo, many of us came to terms with the defeat and with the acceptance of Israel. But there was a basis for the co-existence: that something would be got for the Palestinians," says a Jordanian journalist. "After the new Israeli government came to power, we saw that this was not the Israel we wanted to have peace with."

Mrs Ashrawi agrees. "Perceptions are not shaped in a vacuum, and now we feel that the whole [peace] process has been a sham," she says. "We are back to viewing the Israelis as oppressors."

Perhaps some of the most extreme examples of anti-Israeli fervour can be seen in Lebanon, where part of the south remains occupied by Israel. When Lebanon's Shia Hezbollah movement ambushed an Israeli commando unit last year, and the Israeli soldiers were blown to pieces, Hezbollah leaders triumphantly held up the severed heads at a press conference; the pan-Arab press happily ran large displays of the pictures.

Even children's television is entrenching opposing attitudes, albeit not such blood-curdling ones. On the recently opened Israeli and Palestinian version of Sesame Street, conceived three years ago in the euphoria of the peace process, the children live on different streets and cannot be seen to be closely interacting. A separate Palestinian children's show has a young girl pledging to turn into a suicide bomber at the entrance to Jerusalem.

In short, the impasse in the peace process is blurring the lines between the moderates in the Arab world and the rejectionists who insist that Israel's existence is based on exclusion and domination. It has also radicalised the Arab middle classes, who have found themselves stripped of the hope that a contained Arab-Israeli relationship would lead to domestic political modernisation.

One by one, Arab rulers who pushed the peace agenda have fallen in line with public sentiment – resentment of Israel. Faced with Israel's tough stance, they could no longer afford to preach tolerance towards Israel for fear of being undermined by Islamist opposition.

The "progressive" culture in the Arab world, which has often dominated the Arab-Israeli debate, distinguished between Judaism as a religion and the Jewish state. But the radicalisation in Arab attitudes towards Israel is leading some to sound the alarm, warning that the conflict is slipping dangerously into religious lines. "The line gaining strength today is one which says Israel is strong because of its religion," says Mr Salama. "And the more the Arabs are convinced of this, the more they will be loyal to their religion."

Such attitudes are fatal. They can only reinforce the opinions of those in Israel who believe that peace cannot be made with Arabs. That would sink both Israel and its Arab neighbours into a downward spiral of religious fanaticism.

LETTERS TO THE EDITOR

Lloyd's traditional 'annual venture' hard to avoid

From Mr Alan Smallbone

Sir, Christopher Adams reports ("Lloyd's tells Names to accept reforms", April 17) on claims that syndicates "have to raise fresh capital each year", and that this hinders participation in "multi-year contracts" and "imposes additional costs". All are highly tendentious.

If natural persons are to be insurers at all, the annual venture is hard to avoid. Natural Names die and the dead cannot

trade. Agencies wanted to take on fresh Names to replace them; but as far as concerned existing Names, unless they chose to resign, or were given notice by the agents in accordance with the agency agreement, they continued automatically to be members of the syndicate as reconstituted for the next 12 months, and costs relating to this overwhelming majority of stayers were modest.

Were it otherwise, Lord Cromer would not have reported that

"Lloyd's has had the advantage of fresh Names to replace them; but as far as concerned existing Names, unless they chose to resign, or were given notice by the agents in accordance with the agency agreement, they continued automatically to be members of the syndicate as reconstituted for the next 12 months, and costs relating to this overwhelming majority of stayers were modest.

The real story is that corporate capital and its incorporated agency allies are anxious to appropriate the goodwill built up by the natural Names, without

paying them for it. Lord Cromer gave very vigorous warnings about the danger to members from permitting limited liability companies to manage their affairs, which is no doubt why his report was suppressed by the Committee of 1970, sparking the disasters that surfaced in the 1990s.

The real story is that corporate capital and its incorporated agency allies are anxious to appropriate the goodwill built up by the natural Names, without

English social indistinctions

From Mr Stanislaw Janikowski

Sir, Peter McGregor (Letters, April 18-19) wrote that native English speakers would interpret the word "should" as having an obligatory tone.

During a visit to a charming old garden in Ireland, I saw a notice: "Ladies and gentlemen, the consumers will not and others shall not pick flowers in this garden."

Am I wrong in thinking that the use of "should" instead of "will" would offend the ladies and gentlemen, while the use of "should" instead of "shall" would lead "others" to think that they risked, at worst, a mild rebuke if they did pick flowers?

Perhaps we non-native English speakers learn a form of English as obsolete as the social distinctions implied by this notice.

Stanislaw Janikowski,
Brooklands,
11 Brook Lane,
Felixstowe,
Suffolk IP11 7EG, UK

Reform that does not go nearly far enough

From Mr Stephen Wynn

Sir, Barry Riley asks whether financial regulation reform is going far enough ("The flightless pensions", April 18-19). Of course not. There has been no proper consultation and no discussion document. In the case of the regulation of the utilities, there is the discussion document "A fair deal for consumers". The consumers of financial services are not being offered a fair deal, only a vague promise of "protection".

The government claims it is ending the system of self-regulation of the financial services industry. It is, on the contrary, extending self-regulation of the system that led to personal

pensions mis-selling and other scandals.

By burying its head in the sand, and offloading responsibility for the formulation of the regulatory system on to the regulators, the government is hoping that the system will somehow sort itself out and problems will go away.

Stephen Wynn,
3 Clarence Gardens,
Brighton BN1 2EG, UK

Why we still love Britain's oldest Crown Colony

From Jack and Roberta Moore

Sir, We write in disbelief at the belittling article on Bermuda by Richard Donkin ("Gone fishing to escape the haven", April 18-19).

We have visited Britain's oldest Crown Colony, on business and for pleasure, each year for 20 years, and expect to do so until we drop, preferably off the Coral Beach Club.

In travels to Cyprus and Hong

Kong and in between we have experienced many small island states, but none with so much subtle sophistication as Bermuda, one of the last outposts of civilisation as we know it.

Laws against topless bathing, litter and car parking? Been to Monaco or Singapore lately, Mr Donkin? Nor do American visitors resent there being no car hire on a garden island 22 miles

long and two miles wide at most. Guess what: Bermuda has just voted against a McDonald's start-up! Vive la difference!

Sorry, Mr Donkin – it's Bermuda, not Bermuda, for you.

Jack and Roberta Moore,
Villa Bellapais,
33 Chemin du Sémaphore,
St Jean Cap Ferrat,
06230 France

Financial Times Seminar

Inspirational Leadership - "Breaking the Barriers"

with

Richard Noble, OBE

Project Leader of the British land speed record breaking team

Wednesday May 20, 1998

By attempting to break the land speed record, and also enter the unknown area of breaking the sound barrier on land, Richard Noble had to inspire and lead his team to new heights of ingenuity and creativity, but within a framework of very tight time and financial budgets. By drawing an analogy between his most dangerous and difficult challenges and the real business decisions we face day-to-day, he promises to provide many insights into managing under extreme pressure.

The presentation, followed by a champagne and canapé reception, will be held at the Financial Times, Number One Southwark Bridge, London SE1 9HL and will run from 6.30pm to approximately 8.30pm.

Limited places are available at a cost of £50.

To register, please contact

Sarah Jezzard on

Tel: (44) (0)171 873 4816 Fax: (44) (0)171 873 3595

or email: sarah.jezzard@ft.com

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FINANCIAL TIMES

No FT, no comment.

COMMENT & ANALYSIS

MAN IN THE NEWS RUPERT MURDOCH

Dealmaker's dilemma

At the age of 67 and with his marriage failing, the media magnate is still working flat out, say Christopher Parkes and Cathy Newman

Rupert Murdoch has been pushing himself these past few years – “probably as hard as I have ever seen”, says one long-time associate.

The subtext is that this is normal, the unremarkable behaviour of an intensely competitive man. “The world is speeding up and Rupert speeds us up as well,” the associate adds. “And by the way, he is fitter than I have ever seen him.”

He will need to be – and not only because the task of holding a world-spanning empire together is getting harder. This week, his wife said she would be leaving him after 31 years of marriage.

The couple’s differences are private, but the separation raises legitimate public questions. Mrs Murdoch is on the board of News Corp, although the company says she will not step down and her shareholding will remain unchanged. Friends and colleagues said the main reason for the separation (revealed this week in one of Mr Murdoch’s own newspapers) was his refusal to slow down and take things more easily. So the separation raises two questions: is Mr Murdoch likely to slow down? And if he does, what might that mean for News Corp?

The News Corp chairman, an adoptive Californian, takes care of his health in true Golden State fashion: he does not smoke or drink. He

works out every day. He even takes holidays, indulging himself two or three weeks a year on the family ranch in Carmel, or on his ocean-going yacht.

Buying the boat was Anna Murdoch’s idea, a wifely hint that he might find it an amenable place to relax in the Mediterranean, even contemplate retirement. After all, when the boat was ordered he was approaching his mid-60s – the traditional age for withdrawing from the front line.

However, he missed the point. He saw the vessel primarily as a mobile place of business, a fitting control centre for a man with media and entertainment interests that span five continents and reach into space aboard direct broadcast television satellites.

That seems to have worried those around him. At 67, he has reached the age at which his own father died of heart failure.

Last year he seemed to be making preparations to hand over the reins – possibly in a concession to his wife. He nominated his son Lachlan,

only 26, as his successor in the group chair. Lachlan runs the Australian businesses, while his siblings, Elizabeth and younger brother James, have also been placed in the group management structure.

With more than 30 per cent of the stock and the personal commitment to a company he effectively built himself, Mr Murdoch’s exercise of *droit de seigneur* went unquestioned.

The marital split has clearly shaken him, insiders say. They believe that ultimately the rift may be repaired.

But if that happens as a result of Mr Murdoch deciding, after all, to ease up and loosen his control over the company, what would a hand-off Rupert Murdoch mean for News Corp?

Andrew Neil, a former editor of The Sunday Times, the Murdoch-owned UK newspaper, has said that News Corp and its founder would die together. The implication was that only Mr Murdoch knew and understood the structure and the ambitions underpinning the company.

He runs it, as always, with a vigour verging on the obsessive. “He has the superhuman energy of a 25-year-old,” says Mark Booth, chief executive of British Sky Broadcasting, the UK satellite broadcaster in which News Corp has a 40 per cent stake.

He has a proprietorial finger in every pie and on every pulse. No respecter of time zones, he rings and rouses his senior executives at all hours for detailed telephone briefings. He may ring off without saying goodbye.

One of News Corp’s senior employees says he will carry on “until he doesn’t have the energy and mental stamina”.

Nevertheless, he does seem to be sharing out the responsibility nowadays. The past 18 months have seen the consolidation of a team at the top comprising Mr Murdoch and Peter Chernin and Chase Carey, the chief operating officers. “Group headquarters is wherever in the world those three happen to be together,” says one insider.

And while other comparable companies such as Uni-

versal Studios and Warner Bros have been rippling through the executive ranks in past weeks, News Corp “is the stillest it’s been in 10 years”.

Stability and consistency are not qualities commonly associated with News Corp. In 1990 it teetered on the brink, loaded with debt. In recent months, Mr Murdoch has suffered setbacks including an aborted attempt to win control of Mediaset, Italy’s leading commercial television station.

Star TV, News Corp’s Asian satellite television operation, is reported to be losing \$100m a year – a figure likely to be inflated by the region’s economic crisis.

In North America, Mr Murdoch’s attempt to break into the growing satellite broadcasting industry has been marred by strategic blunders. Although he controls a licence for which he paid more than \$600m two years ago to beam signals across the US, it remains unused. Plans to trade it for a stake in one of the country’s leading satellite groups are being scrutinised



Killer bugs: round two

Daniel Green on how a new generation of antibiotics could save the world

It has been a week when Britain became obsessed with antibiotics. Or rather by the threat of their failure. The press has been full of articles saying that irresponsible doctors are prescribing too many antibiotics and that diseases and parasites are now becoming immune and hence indestructible.

The chancellor hails the near-disappearance of the government’s borrowing requirement as evidence that he has been running a tighter fiscal policy than everyone thought. But if tax revenues are picking up economic activity that other statistics are missing, it would follow that the economy was more overheated than it looked and that fiscal policy was loose.

The second risk is that consumer spending outperforms expectations. Weaker employment growth and tax increases should prompt some retrenchment, but other factors may keep the consumer shelling out.

There is more than a grain of truth here. Antibiotics have been the most effective drugs of the century. Their ability to kill bacteria without harming people has allowed doctors and patients to take them for granted.

Patients sometimes feel better quickly, and any side-effects are not perceived as being serious. The combination of effectiveness and ease-of-use pushed world sales of anti-infective drugs, mostly antibiotics, to more than \$20bn in 1997.

So much so that by the 1970s, the drug industry thought of antibiotics (at least the invention of new ones) as passe. For them, existing antibiotics had become a cash cow. But for bacteria, they were just another evolutionary challenge. The fittest survived, passing on to the next generation the characteristics that allowed them to survive.

Nevertheless, the fears are exaggerated for two reasons. To take the less important one first: it is not true that, by international standards, British doctors over-prescribe antibiotics.

The UK is actually a low user of the drugs. Sales of \$458m last year were one-third the level in France, which has a similar population size. Spain, with about three-quarters of the population, has larger sales (\$515m). The US, whose population outnumbers the UK by about five times, uses 10 times as many anti-infective drugs.

That, of course, is cold comfort since diseases do not respect international borders and will spread into

“There are only about 15 different ways that antibiotics (on the market today) kill bacteria,” says Gary Paton, head of anti-infective development at SmithKline. “We’ve identified 85 new targets that are essential to the survival of *staph. aureus*, one of the super bugs, and we have our first chemical hits.”

Hence, the antibiotics story is far from a disaster in the making. True, there are serious dangers from super bugs over the next three years before the new drugs are launched. But the worst fears – that the blunted weapons of modern medicine will be unable to halt a plague – look hugely exaggerated.

Drugs industry researchers are congenitally optimistic. But even if they are only a quarter right, the new century should bring many new weapons to bear on bacterial infections.

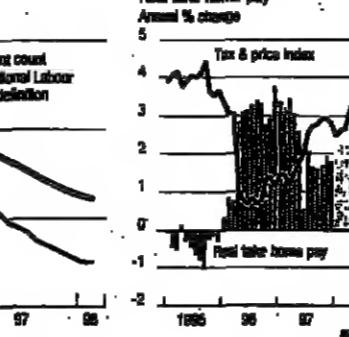
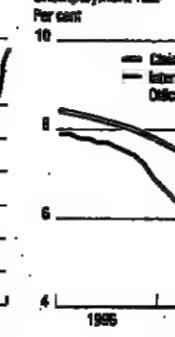
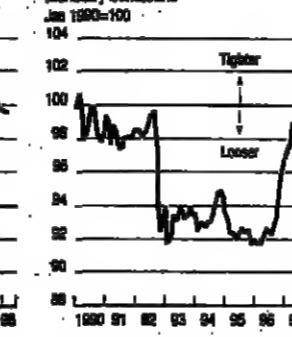


Bug bear: drug-resistant tuberculosis bacteria, which are spread by coughing and sneezing. Picture: Science Photo Library

Fasten your safety belts

The UK economy needs a soft landing but, says Robert Chote, the warning lights are starting to flash

UK economy: losing pace?



There are three possibilities. First, the economy could continue to decelerate gently. Second, the slowdown could become increasingly severe, giving a bumpy landing. Third, and most worrying, the economy may be more robust than the figures suggest, which could simply delay an even harder landing.

Gross domestic product data released yesterday suggest the economy is losing steam, but not yet anything more dramatic. National output rose by 0.4 per cent in the first quarter, the slowest rate of increase in almost three years. Other data paint a similar picture. Unemployment recorded its smallest fall for two years in March. In the high street too, the economy shows signs of losing momentum. Retail sales volume rose by a relatively modest 0.3 per cent last month, reversing February’s steep decline only marginally. Any attempt to raise prices aggressively is being rebuffed by consumers.

The Bank and the Treasury both recognise that the economy needs to slow. The

Treasury calculates that rapid output growth probably exhausted the economy’s spare capacity by the middle of last year, since when activity has been pushing above the “potential” level assumed to be consistent with stable inflation.

Hence the gradual tightening in interest rates that the monetary policy committee has imposed since the Bank was given its independence by Mr Brown a year ago. Tax increases and impressive control of government spending have provided a supplementary tightening on the fiscal side.

The need for the slowdown is not in doubt. But the speed and severity with which it will take effect remains unclear – independent forecasts of economic growth this year vary from 1.1 to 2.3 per cent. The precise impact of policy changes is always difficult to predict, but in the current circumstances the outlook is more than usually opaque.

Nonetheless, the Fund

withdraws from hard-earned business. All evidence suggests there is real pressure on exporters’ margins.

Weaker exports are producing a widening trade deficit, while manufacturing is almost certainly in a technical recession (where output falls for at least two successive quarters). But how much further does this process have to go? And to what extent will such weakness feed through to more sheltered parts of the economy?

The IMF’s assessment, shown in the chart, is that a 3 per cent change in the exchange rate is equivalent in its impact on aggregate spending in the economy to a single percentage point move in interest rates. This ratio implies that the tightening in monetary conditions over the past 18 months dwarfs even the loosening that followed sterling’s exit from the European exchange rate mechanism.

Nonetheless, the Fund

does not believe this tightening will deliver a hard landing, although it will imply a painful slowdown for exporters. For the economy as a whole, the IMF forecasts output growth of 2.3 per cent this year and 2.1 per cent next year, with no significant rise likely in the unemployment rate.

Evidence of slower growth has fuelled expectations in the money markets that base rate may now have peaked. This has been compounded by news that one of the hawks on the monetary policy committee joined the doves this month to give them a clear majority. Sterling has responded by falling below DM3 for the first time since March 10. If it continues its orderly descent the IMF forecast looks plausible. But even at best, the landing may be bumpier than the Fund assumes.

This is if things work out. But there are indications that economic activity may remain stronger than expected

Fair game for a gentle savaging

Richard Tomkins finds contradictions in the conservation and animal welfare message of Walt Disney’s latest theme park

There is something a little scary about Walt Disney’s new Animal Kingdom. And it’s not just the live alligators on the safari trail or the Countdown to Extinction thrill ride.

In one part of the theme park, there is an area called the Affection Section where visitors are encouraged to touch and make friends with gentle domestic animals, including a pair of big, white turkeys. Nearby in DinoLand USA (a dinosaur-themed area), visitors are encouraged to gorge themselves on succulent roast turkey legs sold from a food stand – \$4.25 a limb.

Disney says that “inspiring a love of animals and concern for their welfare is the underlying theme, both subtle and obvious, throughout Animal Kingdom”.

Yet DinoLand is sponsored by McDonald’s, the world’s biggest purveyor of dead meat. And each day, animals by the truckload are served up in the park’s fast-food restaurants as steaks, burgers, hot dogs, nuggets and pizza toppings.

Well, people must eat, and you don’t have to be a vegetarian to love animals. Even so, contradictions abound in Animal Kingdom, leaving you with the uneasy feeling that this Disney theme park goes even further than the others in blurring the boundaries between truth and fiction.

Of course, Disney has always sanitised reality. In its theme parks, life is predictable, happy, safe. Some of the rides may be a



Monkey business: Michael Eisner, Walt Disney chairman, with biologist Jane Goodall who says the park’s message could make a big impact. Picture: AP

bit frightening, but nothing really bad ever happens. There is no litter, no crime, and no death.

But most of Disney’s previous theme parks built around myth and legends. Animal Kingdom charts new territory by purporting to represent reality as well as fantasy, introducing living animals into the entertainment mix and delivering a strong conservation message.

The park, officially opened on Wednesday, is an \$800m (675m) extension to Disney’s Walt Disney World leisure complex in Orlando, Florida. Covering 500 acres, it is its biggest theme park yet.

The park is divided into sections. DinoLand, for example, includes the park’s only thrill ride, a frightening journey into pre-

history in which visitors’ senses are assaulted by violent motion, shocking special effects and the close proximity of horrifically life-like slavering jaws.

Yet Animal Kingdom’s crowning achievement is the safari park. In an extraordinary feat of landscaping and replanting, Disney’s so-called “imagineers” have taken a 110-acre slab of cow pasture and transformed it into picture-perfect African savannah, complete with lions, elephants, alligators, hippos, rhinos and giraffes.

Visitors tour the safari park in 32-seat open-backed trucks. At one point, there is a flurry of excitement when a rusty bridge appears almost to give way under the truck’s weight. It holds. Phew. Later, visitors are passively

involved in the mock pursuit and capture of an ivory poacher devouring their costly habitat.

Does any of this matter? About a dozen of the park’s 1,000 animals died before the opening. But an official investigation has cleared Disney of any wrongdoing, and most of the animals can expect to live longer, safer lives than they would have done in their natural environment.

That has not prevented some animal rights groups from protesting about the animals’ enforced captivity. One US group, People for the Ethical Treatment of Animals, has called for a boycott of Animal Kingdom. But these organisations are heavily outnumbered by the conservationists whom Disney has marshalled in its support.

Jane Goodall, one of the world’s best-known field biologists, says the park’s millions of visitors will be introduced to a conservation message they might otherwise not hear. “If only a tiny percentage of those people start thinking differently about conservation, it could make an enormous impact.”

So the deal, it seems, is this: it is worth holding 1,000 animals in comfortable captivity because it will enrich Disney’s shareholders, entertain a lot of people, and may one day, by means as yet unspecified, make life better for the rest of the world’s animal population.

Fair enough. Disney’s shareholders are hardly an endangered species. But everyone loves animals, and they need all the help they can get. Just don’t ask us to think about it too much over lunch.

It is great entertainment – and almost everything you see is an artefact. Its rutted dirt roads are manufactured from concrete, right down to the mud that appears to ooze from under the truck’s tyres.

Most of the distinctive baobab trees are concrete, too; the acacias are native oaks with a crew cut.

Disney says the animals are wild, “living naturally in the broad grassland and bush green forests”. This is pure fiction. Months were spent conditioning the animals to show them where they could roam, in some cases using electric fences to reinforce the message. They are also prevented from indulging their natural desire to eat each other (and paying guests) by hidden moats and barriers that confine them to certain areas. And they are summoned with whistles and bells to spend the night in off-site barns while staff sweep the savannah free of unsightly elephant dung.

“Never attempt to feed the animals,” says a notice to visitors at the entrance. “They are wild creatures with natural diets and should not be made dependent on hand-outs.” Except, of course, those from Disney itself. The carnivores are given thawed-out frozen meat, repressing their instinct to hunt and kill. Food for the herbivores is placed in disguised feeding stations around the safari trail to keep the animals in range of the cameras and to stop them

from getting too close to the visitors. The savannah is a mix of open grassland and scattered acacia trees, with a few baobabs here and there.

That, of course, is cold comfort since diseases do not respect international borders and will spread into

“There are only about 15 different ways that antibiotics (on the market today) kill bacteria,” says Gary Paton, head of anti-infective development at SmithKline. “We’ve identified 85 new targets that are essential to the survival of *staph. aureus*, one of the super bugs, and we have our first chemical hits.”

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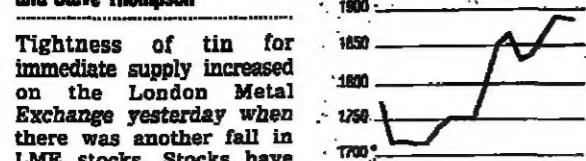
yen slides

COMMODITIES & AGRICULTURE

Tin tightens as stocks at LME fall

WEEK IN THE MARKETS

By Kenneth Gouding and Steve Thompson



Copper
LME 3-month price (\$ per tonne)
1993-98

Tightness of tin for immediate supply increased on the London Metal Exchange yesterday when there was another fall in LME stocks. Stocks have dropped by 6,115 tonnes, or 47 per cent, so far this year.

Buyers are having to pay a substantial premium for immediate delivery. Yesterday the premium was nearly \$100 a tonne compared with delivery in three months. The three-month tin price ended up \$5 a tonne, or 1% per cent, at \$5,750.

PT Tambang Tinah, the biggest integrated tin producer, said output would fall from 46,000 tonnes to 43,000 tonnes this year. "This is further evidence that the tightness in the market is genuine," said Martin Squires at Rudolf Wolff.

Copper failed to reach \$1,900 a tonne in spite of another big fall in LME stocks. So far this year 57,875 tonnes have been withdrawn from LME stocks, reducing them by 17 per cent.

Adam Rowley, analyst at Macquarie, the Australian banking group, said copper's price could rise in the short term because some traders were squeezing the market.

"But prices on fundamental grounds should move lower in the second half."

Palladium, which reached a record \$380 a troy ounce on Wednesday on worries about Russian supplies, closed in London yesterday only slightly below that level even though the outlook for

a resumption of Russian exports was brightened when Sergei Kiriyev's appointment as prime minister was approved.

World oil prices were generally a shade lower in relatively light trading with dealers tending to adopt a slightly bearish attitude on the market. On London's International Petroleum Exchange the June contract for Brent crude edged up to \$14.14 early in the session, before easing back to trade down 13 cents at \$13.85 towards the close of trading.

There was further severe weakness in coffee futures on the London International Financial Futures Exchange, with the July contract hitting an intraday low of \$1,700 a tonne, its lowest level for a month, before rallying to trade around \$1,710 near the close.

Gold, which reached a record \$380 a troy ounce on Wednesday on worries about Russian supplies, closed in London yesterday only slightly below that level even though the outlook for

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading in ALBANY, NY (US \$ per tonne))

In ALBANY, NY (US \$ per tonne)

Cash 3 months

Close 1480-40 1485-65.5

Previous 1453.5-64.5

High/low 1474.5-64.5

AM Official 1450-63.5

Kurs close 1474.5-73.5

Open Int. 160,004

Total daily turnover 57,077

US LEAD 5 per tonne

Close 1800 1322-35

Previous 1805 1335-36

High/low 1840/1230

AM Official 1835-35.5

Kurs close 1835-35.5

Open Int. 6,245

Total daily turnover 1,452

US NICKEL (5 per tonne)

Close 580-64 574-75

Previous 5420-33 551-60

High/low 560-67 562-74

AM Official 558-60 558-65

Kurs close 5510-20

Open Int. 48,357

Total daily turnover 15,918

US TIN (5 per tonne)

Close 1980-70 1980-80

Previous 1920-33 1920-50

High/low 1920-65 1920-80

AM Official 1920-65 1920-80

Kurs close 1920-65 1920-80

Open Int. 17,295

Total daily turnover 10,324

US Zinc 62-63 102-63

Close 102-63 102-63

Previous 101-63 101-63

High/low 101-63 101-63

AM Official 100-101 101-101

Kurs close 101-101 101-101

Open Int. 17,295

Total daily turnover 10,173

US COPPER (5 per tonne)

Close 1040-65 1040-65

Previous 1039-65 1039-74

High/low 1039-65 1039-74

AM Official 1037-71 1040-65

Kurs close 1037-71 1040-65

Open Int. 83,430

Total daily turnover 10,549

US LME DATED 5 per tonne

Close 1025-71 1025-80

Previous 1025-71 1025-80

High/low 1025-71 1025-80

AM Official 1025-71 1025-80

Kurs close 1025-71 1025-80

Open Int. 10,173

Total daily turnover 10,173

US 1997/98 5 per tonne

Close 1025-71 1025-80

Previous 1025-71 1025-80

High/low 1025-71 1025-80

AM Official 1025-71 1025-80

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High/low 1025-71 1025-80

AM Official 1025-71 1025-80

Kurs close 1025-71 1025-80

Open Int. 10,173

Yen slides

MARKETS REPORT

By Simon Kuper

The yen sank yesterday after the details of Japan's latest economic stimulus package disappointed the market.

Eisuke Sakakibara, Japan's vice finance minister for international affairs, indicated that there was no chance of permanent cuts in tax rates. Some investors concluded that the Y16,000 package would fail to drag Japan out of the economic mine.

Earlier in the day, the sheer size of the package had enthused the market. As Mr Sakakibara phrased it: "I haven't heard of any package like this in the rest of the world."

The yen dropped Y1 against the dollar to close in London at Y131.0.

The Swiss franc fell after the Duma, the Russian parliament, accepted Sergei Kiriyenko as prime minister. A "no" vote would have led

to a general election, fear of which had sent investors scurrying for the safe haven of the Swiss.

Hans Meyer, chairman of the Swiss National Bank, said "efforts to counter Swiss franc strength that is undesired for economic development" remained in the foreground of bank policy.

The Swiss franc fell half a centime against the D-Mark to SF10.833. The dollar fell 0.4 pence against the D-Mark to DM1.755.

Short sterling futures contracts continued their rally, with the December 1996 contract gaining 5 basis points. It now prices in a fall in base rates from present levels of 7.25 per cent. Avinash Persaud, global head of foreign exchange research at J.P. Morgan in London, said the time had come to sell sterling against the D-Mark.

Robin Aspinall, chief economist at National Australia Bank in London, said the UK

economy was slowing. He added: "No wonder the rise in interest rates we experienced during the last year would normally have been enough to send the economy into recession."

Japanese investors are smiling on the euro, says Dresdner Kleinwort Benson. Of 52 institutional investors surveyed by the bank, none said they would invest less money in European currencies this fiscal year as a result of European monetary union. One third said Euro would prompt them to invest more. The other two thirds said they would invest the same or were unsure.

And 52 per cent said they thought the euro would be stronger in 1998 than current exchange rates. Only 17 per cent said it would be weaker. Julian Callow, European economist at the bank, said: "The strength of opinion in favour of the euro and Euro is surprisingly strong." The attitude of the Japanese "confirms a similar impression that we have been getting from recent meetings with major US investors."

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Robin Aspinall, chief econo-

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Philip Shaw, chief econo-

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CURRENCIES & MONEY

WORLD INTEREST RATES

MONEY RATES

Apr 24	Over night	One month	Three months	Six months	One year	Long term	One rate
Belgium	3.4	3.4	3.4	3.4	4.0	6.00	2.75
France	3.4	3.4	3.4	3.4	4.6	6.00	3.30
Germany	3.4	3.4	3.4	3.4	4.5	5.50	6.75
Ireland	3.4	3.4	3.4	3.4	4.2	5.00	5.03
Italy	5.5	5.5	5.5	5.5	6.50	5.00	5.03
Madagascar	3.4	3.4	3.4	3.4	3.4	3.40	3.30
Malta	3.4	3.4	3.4	3.4	3.4	3.40	3.30
Netherlands	3.4	3.4	3.4	3.4	3.4	3.40	3.30
Portugal	4.4	4.4	4.4	4.4	4.4	4.40	4.45
Spain	7.7	7.7	7.7	7.7	7.7	7.70	7.71
Sweden	1.4	1.4	1.4	1.4	1.4	1.40	1.40
UK	1.4	1.4	1.4	1.4	1.4	1.40	1.40
USA	5.4	5.4	5.4	5.4	5.4	5.40	5.40
Yugoslavia	1.4	1.4	1.4	1.4	1.4	1.40	1.40

ME 3 LIBOR (BMA London) Amsterdam Floating US 3 Month CD (3M) SFR 3 Month DM 3 Month CHF 3 Month

London Interbank Bid rate (BMA) London rate (3M) US 3 Month SFR 3 Month DM 3 Month CHF 3 Month

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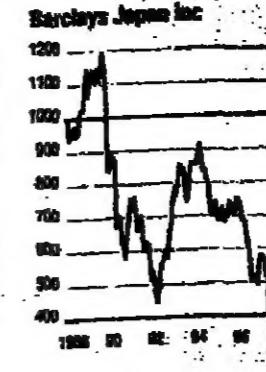
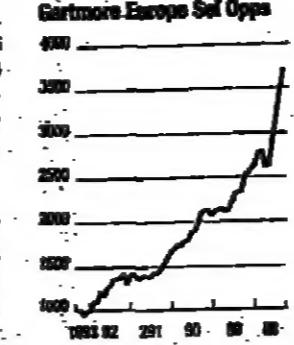
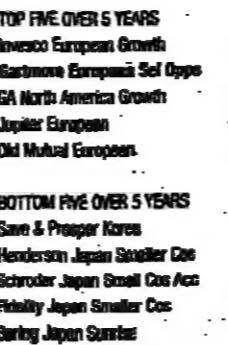
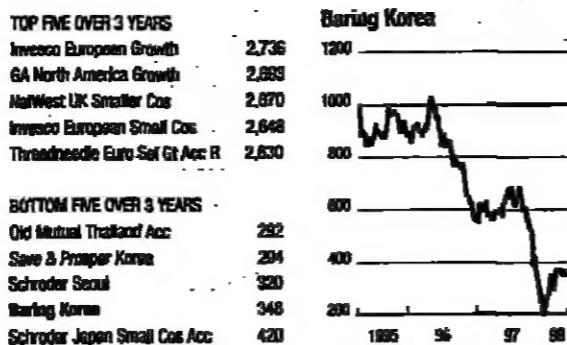
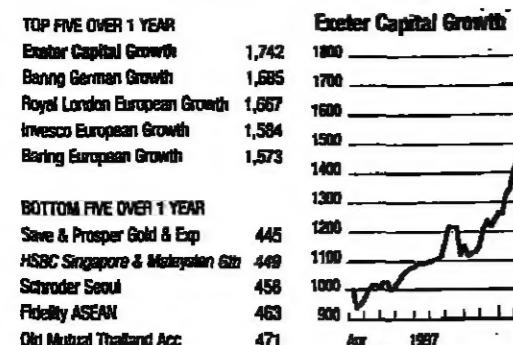
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UNIT TRUSTS

■ WINNERS AND LOSERS



Source: Nester's Unit Trusts 51/98

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

■ Indices

	1 year	3	5	10	Volatility	Wkly	Yrs
Average Unit Trust	1153	1515	1803	3246	3.5	2.3	
Average Investment Trust	1279	1654	2186	3822	5.0	4.3	
Bank	1042	1113	1263	1775	0.7	0.7	
Building Society	1039	1113	1262	188	0.8	0.5	
Stockmarket FTSE All-Shares	1388	1948	2344	4200	2.7	2.4	
Inflation	1143	1394	1863	2223	1.8		
SECTOR AVERAGE	1244	1760	2688	3155	2.8	1.4	

■ UK Growth

	1 year	3	5	10	Volatility	Wkly	Yrs
Johnson Fry Smaller Growth	1188	2565	2272	4897	2.8	0.7	
UM Hartley Growth	1257	2367	2887	2771	2.9	0.3	
Exeter Capital Growth	1742	2330	3226	-	4.4		
Standard Life UK Eq Growth Acc	1284	2224	2488	4725	2.8	0.7	
River & Mercantile 1st Growth	1340	2154	2719	-	2.8	0.4	
SECTOR AVERAGE	1278	1766	2322	3293	2.7	2.1	

■ UK Growth & Income

	1 year	3	5	10	Volatility	Wkly	Yrs
Fleming Select UK Income	1427	2095	2604	3627	2.7	2.5	
HSBC Fiduciary Fund	1388	1999	2169	-	3.1	1.5	
Laurence Klein Income & Growth	1256	2186	2143	-	2.8	2.9	
Fidelity MoneyBuilder Growth	1286	1943	-	-	2.7	2.0	
Britannia UK General Inc	1271	1933	2089	2973	2.8	2.5	
SECTOR AVERAGE	1278	1766	2322	3293	2.7	2.1	

■ UK Smaller Companies

	1 year	3	5	10	Volatility	Wkly	Yrs
NatWest UK Smaller Cos	1210	2670	-	-	3.5	1.0	
Gartmore UK Smaller Cos	1203	2343	3011	3265	3.3	1.1	
Laurence Klein Smaller Cos	1221	2254	-	-	3.1	1.2	
Britannia Smaller Cos Acc	1179	2126	2863	3560	3.2	0.3	
Smith & Williamson Smaller Cos	1201	2121	2479	3968	3.4	0.1	
SECTOR AVERAGE	1110	1632	1933	2508	3.1	1.4	

■ UK Equity Income

	1 year	3	5	10	Volatility	Wkly	Yrs
Jupiter Income	1215	2122	2255	5081	2.3	3.7	
BWU UK Equity Income	1304	1945	2678	3469	2.5	3.3	
Fidelity Income Plus	1350	1940	1989	2784	2.6	3.3	
Britannia High Yield Inc	1294	1922	2254	4310	2.5	3.3	
Lazard UK Income	1229	1923	2241	4061	2.8	3.7	
SECTOR AVERAGE	1268	1732	2222	3229	2.5	3.7	

■ UK Equity & Bond Income

	1 year	3	5	10	Volatility	Wkly	Yrs
HSBC High Income	1272	1778	-	-	2.1	4.8	
Aberdeen Profits Ext Income	1272	1768	2683	3048	2.5	3.6	
CIS UK Income	1312	1731	1970	-	2.4	3.0	
Edinburgh High Distribution	1282	1720	2019	2481	2.4	3.2	
Midland Monthly Income	1280	1711	-	-	2.3	3.6	
SECTOR AVERAGE	1211	1667	1786	2687	2.1	4.7	

■ International Equity & Bond

	1 year	3	5	10	Volatility	Wkly	Yrs
Fleming General Opportunities	1277	1725	1892	-	2.0	2.9	
Bank of Ireland Ext Mgt Growth	1211	1657	1898	-	2.6	2.1	
SA Income Portfolio	1222	1609	1811	-	3.2	2.4	
City Financial Beckenham Inv'l	1141	1254	1192	2026	2.8	5.8	
Newton International Bond	1074	1251	1293	-	2.0	4.7	
Baird/BG Int'l Inv'l Inc	1025	1224	1273	-	1.0	5.1	
SECTOR AVERAGE	1105	1434	1805	2962	2.2	2.3	

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Insurances, Money Markets and Other

- FT Ceylon Unit Trust Prices are available over the telephone. Call the FT 81111111.

MANAGEMENT SERVICES

MANAGEMENT SERVICES

account of the deduction of basic rate income tax.
 Net Profit of interest payable after allowing for deduction of basic rate income tax.
Gross CDT: Gross rate accumulated to take account of compounding of interest paid after taxes over a year.
Compounded Annual Rate:
 Net CDT Frequency of which interest is credited to the account.

Offshore Funds and Insurances

• FT Cayman Unit Trust Prices are available over the telephone. Call the FT Cayman Unit Trust office at 1-800-333-3333.

FT MANAGED FUNDS SERVICE

LONDON STOCK EXCHANGE

Footsie rallies after early 112-point tumble

MARKETS REPORT

By Steve Thompson,
UK Stock Market Editor

Another big sell-off in the financials, pharmaceuticals and oil sectors drove the FTSE 100 index sharply lower again yesterday, sending ripples of unease across the rest of the market in the process.

The banks, insurances, drugs and oil sectors have been in the forefront of the UK market's move to record levels over the past couple of years. Dealers reported large-scale selling across those areas as well as switching into sectors that have underper-

formed the Footsie in recent months and years, notably the big manufacturers and exporters which have been hampered by the strength of sterling.

The latter was unchanged at the close, as measured by the Bank of England's sterling exchange rate index, but was substantially lower over the week after the shift in the market's view of the next move in the strength of sterling.

A raft of economic news earlier in the week, including average earnings and retail sales, was seen as indicating a slowing of the UK economy and reducing the need for a further increase in rates. More importantly, Charles

Goodhart, a member of the Bank of England's monetary policy committee previously in favour of a rate increase, is now advocating rates are left on hold.

Yesterday brought news that UK gross domestic product during the first quarter came in at plus 0.4 per cent, fractionally lower than the consensus estimate of plus 0.5 per cent.

Such was the momentum behind the latest setback in the leaders that the FTSE 100 briefly dipped below the 5,200 level, posting a 112.4 decline in the process, before stabilising as Wall Street came in, and finishing the session a net 34.2 off at 5,263.9.

The bouts of extreme weakness

in the leaders did not follow through fully into the market's second-line stocks, which have been substantial beneficiaries of sterling's recent decline.

Having hit record intra-day and closing highs for the two previous sessions, the FTSE 250 slipped back as the profit-takers moved in, but was never more than modestly easier, although it spent much of the day below the recently-won 5,600 level before scrambling back during the last 30 minutes of the trading session.

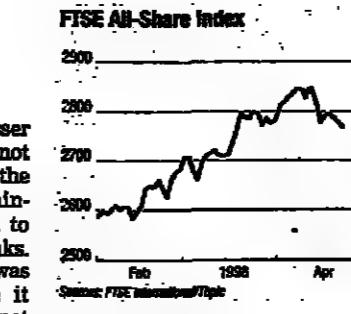
The index closed 4.1 off at 5,600.8, having fallen to a day's low of 5,594.1 as the FTSE 100 suddenly fell away.

The weakness affecting the

front-line stocks and, to a lesser extent, the second-liners did not infect the smallcaps where the FTSE SmallCap index maintained its upward momentum to hit intra-day and closing peaks. At best, the SmallCap index was 2.9 ahead at 2,942.3, before it eased off a shade to finish a net 2.2 higher at 2,941.5.

Weakness in the seven insurance stocks in the Footsie accounted for slightly more than 10 points. That was matched by the sharp fall in Lloyds TSB, dented by renewed worries about the intense competition in the mortgage market.

Turnover in equities at the



Equity shares traded
Turnover by value (m)

Indices and ratios	FTSE 250	FTSE 350	FTSE 100
Closing index Apr 24	5,603.9	5,633.9	5,563.9
Change over week	-58.3	-58.3	-58.3
Apr 23	5,608.1	5,628.1	5,568.1
FTSE All-Share yield	2.78%	12.42%	12.42%
FT 30	3,768.4	3,783.0	3,753.0
FTSE Non-Fins p/c	22.43	22.46	22.46
FTSE 100 Fut Jun	5,682.0	5,685.0	5,685.0
10 yr gil	5.88	5.90	5.90
Long gil/Equity yld ratio	2.09	2.11	2.11

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FTSE Non-Fins p/c	22.43	22.46	22.46
FTSE 100 Fut Jun	5,682.0	5,685.0	5,685.0
10 yr gil	5.88	5.90	5.90
Long gil/Equity yld ratio	2.09	2.11	2.11

spirits giant Diageo rose 31% to 721p as dealers appreciated comments from the company that it would sell underperforming drinks brands.

Dealers said the market had reacted positively to comments on Thursday by Jack Keenan, chief executive of Diageo's United Distillers and Vintners unit.

He said the company planned to cut underperforming drinks brands and had identified sites that were unprofitable.

Sentiment was enhanced by reports of signs of a recovery in spirits demand in both the United States and Europe.

Merrill Lynch is among brokers positive on the stock while earlier this week Goldman Sachs raised its 12-month share price target on Diageo from 755p to 850p.

In the rest of the retailers, shares in Arcadia fell 13% to 477.5p as bearish sentiment hit the stock ahead of next Thursday's interim figures.

Talk in the market suggested the Dorothy Perkins chain, which accounted for about 26 per cent of sales last year, was experiencing difficult trading conditions, while business in menswear was also uninspiring.

But talk was heard in furniture retailer DFS Furniture. The shares jumped 13% to 289p, while Royal Bank of Scotland's share price target on DFS was down 23p to 910p.

A weighty research note from Charterhouse Tilney focused on the support services sector, which has attracted investor attention during its three-year out-performance of the market.

Notable among the losers was Lloyds TSB, off 32% at 837p, while Royal Bank of Scotland was down 23p to 910p.

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In a fight-to-the-finish contest that ended this week seemed to be slipping away from GUS, victory came after Argos' biggest shareholders, Schroders Investment Management, voted its 15.1 per cent stake in favour of the 650p-a-share offer.

After a lacklustre performance in the first half of the session, news of the victory soon after 2.30pm sent shares in both stocks sharply ahead.

GUS hit 885p before coming off the top to close up 3.1% to 856p, the second best performer in the FTSE 100. Volume was 9.4m. Argos improved 37 to 645p in trade of 2.4m.

"It was very close but in the end it was difficult to turn down a cash offer," said one sector specialist.

Investor interest continued in companies exposed to overseas earnings as the pound remained below the DM level on hopes that the DM level had peaked.

Among engineers Rolls-Royce rose 10% to 865p to achieve the best performance in the FTSE 100. GKN also achieved one of the better performances in the FTSE 100 as the stock rose 57 to 217.27.

Siebe, one of the best performers in the Footsie on Thursday, was one of the worst yesterday as the stock surrendered 50 to 213.80.

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LONDON SHARE SERVICE

WORLD STOCK MARKETS

Dow tumbles 100 points towards 9,000

Financials' fall pushes Dax lower

AMERICAS

US shares continued to move lower, pushing the Dow Jones Industrial Average towards the 9,000 level, writes John Lohman in New York.

The market is rolling over a bit," said Warren Epstein, director of trading at Richard Rosenblatt in New York. "I wouldn't be surprised to see a pullback of 200 to 300 points in the Dow over the next week or two."

By early afternoon, the Dow was off 104.60 at 9,038.71, while the broader Standard & Poor's 500 had lost 12.97 to 1,106.61.

Shares continued to fall in spite of a rally for bonds. The benchmark long bond gained 1% to 102 1/2, sending the yield down to 5.95% per cent.

Much attention was given to the airline industry as speculation rose about possible links between the major carriers. News that Delta and United Airlines had suspended talks about co-operative efforts pushed Delta down 3 1/8 to \$112 1/2, while UAL, parent of United, gained 3/4 to \$90 1/4.

A marketing agreement between US Airways and American Airlines sent both lower. US Airways lost 3/8 to 73 7/8 while AMR, parent of American, fell 2 1/8 to \$152 1/4.

Most Dow stocks traded

São Paulo turns higher

SAO PAULO turned higher, shaking off political jitters thanks to a bounce for market heavyweight Telebras. At mid-session, the Bovespa index was up 41 at 11,613.

The market moved lower at the opening bell as investors fretted about the pace of the government's reform programme. But positive broker comment on Telebras reversed the trend, sending Telebras shares up 0.38 per cent to 141.37.

MEXICO CITY lost ground

lower. But computer maker Hewlett-Packard rallied 4% or almost 1 per cent to \$212 after Prudential raised its rating to a "buy." Among losing shares, International Paper slid 1/2 to \$22 1/2.

The Nasdaq composite slipped 7.85 to 1,873.54. Microsoft fell 1% to \$92 1/2 while Intel lost 5 1/4 to \$121. Other computer shares held up. Gateway 2000 rose 4% or more than 3 per cent to \$37 after news that the computer producer would be part of the S&P 500.

Internet shares also rallied, helped by the announcement that Netscape was renegotiating its contracts with the so-called search engine companies. Netscape rose 2% to \$25 1/2.

TORONTO moved steadily lower from the opening bell following a shakeout for bank shares and profit-taking among golds. The 300 composite index was off 9.80 at 7,718.20 at noon.

Banks took the brunt of the morning selling. "Merger talk has gone off the boil. The idea that the government is set to block sector consolidation has everybody worried," said one broker.

In solid two-way trading, Royal Bank of Canada slipped C\$1.55 to C\$85.55 and Bank of Montreal came off C\$1.90 to C\$78.60. Toronto Dominion Bank shed C\$1.90 to C\$63.70.

In golds, Barrick gave up 60 cents to C\$83.40.

EUROPE

Financials moved sharply lower in FRANKFURT after Allianz chairman Heinrich Schulte-Noelle scuppered persistent speculation about the insurer's involvement in a mega-merger with Dresdner Bank.

Allianz, the world's second

largest insurance company, tumbled DM7.40 to DM52.2 and Dresdner, Germany's second largest bank, was DM4.45 lower at DM10.55.

The falls contributed to a 118.15 or 2.3 per cent fall in the Xetra Dax index to 5,144.42.

Among other financials, Commerzbank was down DM2.53 to DM70.62 while Deutsche Bank lost DM5.10 to DM144.

Deutsche Telekom was another loser, down DM2.42 to DM42.23 in spite of news of closer ties with France Telecom.

MILAN tumbled 3.8 per cent on a wave of selling by domestic investors, keen to cash in profits in an increasingly nervous market.

The real-time Mibit index

which lost 3.6 per cent on

Thursday, fell another 9.03 to 23,339.

The banking sector remained at the centre of speculative attention. Crediti Italiani fell 1.79 or 4.1 per cent to 19.264 and Banca Intesa dropped L495 or 4.5 per cent to L10,787.

Mediobanca, whose capital increase is completed early next month, finished L1,304 or 5.1 per cent lower at L24,600 on the last day of trading in the merchant bank's rights.

Alitalia fell L2,334 to L34,157 in response to Thursday's announcement of details of its share offer and capital increase in its first step towards privatization.

Fini gave up L230 to L7,466 with news of its higher dividend payment, coming after the market closed.

EURONEXT extended its consolidation into a fourth straight session, pulled down by derivatives-related selling and further weakness in Novartis. The SMI index fell 33.2 to 7,232.33.

Novartis gave up SF7.23 to SF7.24, continuing the downturn that began on Tuesday when it reported

Tax cut hints drive Nikkei above 16,000

ASIA PACIFIC

Details of the Japanese government's latest package leaked out before TOKYO closed, helping drive the Nikkei 225 Average above 16,000. Shares of Pauls Abrahams in Tokyo.

The benchmark index rose 1.6 per cent or 249.55 to 16,012.44, on suggestions by Japan's finance minister that tax cuts might be made permanent. The index traded between 15,833 and 16,200.

The advance was broad-based with the Topix index of all first-section shares up 1.7 per cent or 20.29 at 1,238.96. The momentum was up, with 222 shares gaining, 197 down and 119 unchanged. Volume was light at 838m shares.

Mazda, the automotive group that announced a surprise profits upgrade on Thursday, was the biggest gainer, adding 19 per cent or Y62 to Y388. The company, one-third owned by Ford of the US, used the Anglo-Saxon technique of

surprising on the upside. Also impressive was Sumitomo Metal Mining, which announced this week it was also adopting an Anglo-Saxon technique by changing its articles of association so it could buy back up to 20 per cent of its shares. The stock gained 4.3 per cent or Y24 to Y376, following a 9 per cent rise on Thursday. Sumitomo Metal Industries, which announced a smaller buy-back programme, rose Y2 to Y222.

Property stocks improved 2.5 per cent. Odakyu Real Estate gained 10 per cent or Y25 to Y275, while Nichimo Corp gained 11.5 per cent or Y22 to Y332.

In Osaka, the OSE index gained 222 points to close at 16,677.

KUALA LUMPUR jumped 1.1 per cent in relief that a drawn-out banking merger had finalised its financing requirements.

But the composite index

gave up some of its gains, ending 6.67 ahead at 655.11, off a high of 657.06.

Shanghai's Shanghai Stock Exchange closed down 1.15 with 1,000 million with connect from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

The data is delivered by Eikon, part of Financial Times Information. Details relate to those securities not included in the FT Share Information Services. The prices are those at which the business was dealt in the 24 hours up to 5.15pm on Thursday, they are not in order of value and in ascending order which means the day's top and bottom. For those securities in which no price was received in the 24 hours up to 5.15pm, the latest price available is the one previous day. The price is given in the relevant currency. The size of individual deals are rounded to the nearest thousand and represented with percentages, where applicable. 1 Share = 1000 units. * denotes from the previous day.

UK Treasury Strips

UK Treasury Strips 07/03/2000 - 75.884752 (21 April)

UK Treasury Strips 07/03/2001 - 82.725000 (21 April)

UK Treasury Strips 07/03/2002 - 87.225000 (21 April)

Corporation and County Stocks

Croydon Corp 3 1/2% 98- 88 (22 April)

Mark 4 Corp 4% Cons & Str - 82 (21 April)

Saltex Corp 4% Cons & Str - 82 (21 April)

UK Public Boards

Port of London Authority 3 1/2% 98- 103.50 (22 April)

Foreign Stocks, Bonds etc. - Coupons Payable in London

Barclays PLC 10% Cons & Str 2000 - 119.70 (21 April)

Barclays PLC 10% Cons & Str 2000 - 120.50 (21 April)

Barclays PLC 10% Cons & Str 2000 - 121.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 121.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 122.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 123.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 123.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 124.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 124.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 125.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 126.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 126.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 127.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 127.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 128.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 129.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 129.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 130.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 130.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 131.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 132.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 132.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 133.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 133.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 134.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 135.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 135.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 136.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 136.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 137.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 138.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 138.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 139.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 139.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 140.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 141.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 141.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 142.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 142.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 143.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 144.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 144.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 145.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 145.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 146.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 147.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 147.60 (21 April)

Barclays PLC 10% Cons & Str 2000 - 148.20 (21 April)

Barclays PLC 10% Cons & Str 2000 - 148.80 (21 April)

Barclays PLC 10% Cons & Str 2000 - 149.40 (21 April)

Barclays PLC 10% Cons & Str 2000 - 150.00 (21 April)

Barclays PLC 10% Cons & Str 2000 - 150.60 (21 April)

Barclays

COMPANIES & FINANCE

FORMER CHIEF EXECUTIVE SAYS HE MAY MAKE AN OFFER FOR THE CONGLOMERATE OR FOR LONRHO AFRICA, ABOUT TO BE SPUN OFF

Rowland considers bidding for Lonrho

By Andrew Edgcumbe-Johnson

They Rowland, ousted from Lonrho in 1994 after 34 years at its helm, is considering making a bid for the restructuring conglomerate, or for its African trading division - which Lonrho is about to float off as a separate company.

"I may take over the whole company, or I may buy

enough to take control," he said yesterday. "I am liquid and I have got a few hundred million pounds."

Two years ago Mr Rowland said that he had £450m in cash after selling most of his Lonrho shares for £91m, and his wealth has since been estimated at about £550m (£1.09bn).

The 80-year-old - a persistent critic of his successors

on Lonrho's board - said he would "chuck out the whole lot" if he succeeded in taking control of either company.

"I'm young enough and I am watching the situation," he added: "it all depends what happens to the shares" once Lonrho Africa is demerged on May 7.

Mr Rowland sold most of his stake to Dieter Bock, then his joint chief executive, at just over 200p. Since then Lonrho's shares have fallen to 107p, valuing the group at £570m.

Asked whether he had appointed financial advisers to prepare a bid Mr Rowland replied: "I don't need advisers after 34 years at Lonrho."

He said he had a particular interest in Lonrho Africa, which has assets in sub-Sa-

haran Africa including Nairobi's Norfolk Hotel and half a Zambian smelter mine.

"Africa has been good to me, and I am not going to give up watching it," he said. "I still have friends in Africa: I had a telephone call from Nelson Mandela last night, inviting me to stay for a few days."

Mr Rowland, who once said he had "done more for

Africa than Bob Geldof," also criticised Lonrho Africa for not including any black directors on its board.

Charles Kermot, analyst with Paribas, thought it unlikely that Mr Rowland would make a bid, but said: "If he comes along with a nice amount of cash, people are going to accept it - even at the age of 80."

GUS takes Argos on 60% acceptance

By Peggy Hollinger

Argos, the high street catalogue retailer, yesterday lost its fight for independence in a nail-biting finish to the hostile £1.9bn (£3.2bn) cash bid by Great Universal Stores.

Schroders Investment Management, which held 16 per cent of Argos, yesterday defied market expectations and voted its stake in favour of the £650p a share bid. Argos shares jumped 37p to 645p as the news emerged, while GUS climbed 42p to 155p.

GUS said it had received acceptances in respect of 59.8 per cent of Argos by the close, higher than either they or the market had expected. Of the top 40 shareholders only two, Prudential Corporation and Baillie Gifford, had voted to back Argos. A third abstained.

Statements from both the Pru and Baillie Gifford this week had raised the prospect that Argos could become the first company in more than a decade to escape a substantial cash bid without a white knight.

However, Lord Wolfson of Sunningdale, GUS chairman, said he had not doubted that investors would see the strength of his case for putting the two together.

Lord Wolfson and his team met late yesterday afternoon with Stuart Rose, the chief executive drafted in to lead Argos's defence, and Sir Richard Lloyd, the target's outgoing chairman.

Mr Rose, who replaced Mike Smith, who fell ill, stands to earn a £360,000 termination fee, assuming he goes over the takeover, on top of the £180,000 golden helix agreed on his arrival.

Total fees for the bid are expected to top 225m, with the bulk going to the advisers on both sides - Schroders for Argos and Merrill Lynch for GUS, conducting its first hostile bid in a FTSE 100 company.

Analysts said the combination of GUS's mail order businesses with Argos's 14m customers made sense. However, any significant earnings gains to GUS would take time to feed through.

Lex, Page 24



Full steam ahead for Ted Baker

By Robert Wright

Ted Baker, the shirt retailer and wholesaler, yesterday announced pre-tax profits boosted by the popularity of its high-fashion brands.

Pre-tax profits were 23.2m on turnover of £143m for the period from flotation in July last year to January 31. The profits were depressed by a 2.14m exceptional payment to Ray Kelvin, Baker's founder and chief executive.

Pro forma operating profits were 24.8m (£1.02m), an

improvement for the 53 weeks to January 31, its year-end. On that basis, full year pre-tax profits would have been 25.06m (£1.12m for 52 weeks to January 25 1997)

on turnover of £20.7m (£14m). The 1997 figures were depressed by a 2.14m exceptional payment to Ray Kelvin, Baker's founder and chief executive.

Pro forma operating profits were 24.8m (£1.02m), an

improvement of 8.8m on the 52 weeks to January 31, its year-end. On that basis, full year pre-tax profits would have been 25.06m (£1.12m for 52 weeks to January 25 1997)

on turnover of £20.7m (£14m). The 1997 figures were depressed by a 2.14m exceptional payment to Ray Kelvin, Baker's founder and chief executive.

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Pesky tortoise runs hostile hare all the way to the wire

Clay Harris and Peggy Hollinger look at the strategies that led to the successful GUS bid for Argos

The race for Argos was a hard slog worthy of comparison with tomorrow's London Marathon. Great Universal Stores was the odds-on favourite when it began, but as the finishing line loomed, that pesky tortoise seemed to be peaking tortoise.

Earlier this week, after Prudential and Baillie Gifford backed the catalogue retailer's incumbent management, GUS's cause looked shaky.

The normally impulsive Lord Wolfson, GUS's chairman, realised he could not be caught napping and began a trawl round even the smallest investors in the

hopes of clinching support.

Yet there were positive omens for GUS. "Our share price didn't fall," said one adviser.

But even though the bid looked close, GUS's advisers declined to buy any shares in the market, even when the Argos price slipped well below the offer of 650p. The adviser yesterday said this tactic was intended to give shareholders no option but to accept or hold.

"It gave them vertigo," a GUS adviser said last night. Indeed, some nervous arbitrageurs - expecting the bid to fail - bailed out earlier in the week.

GUS's refusal to buy in the

market could also be seen, however, as manifesting its own nervousness about the outcome. If acceptances fall short, the last thing it wanted was to be saddled with a chunk of Argos shares and a paper loss.

The victory gave Merrill Lynch, the US investment bank, success in its first hostile bid on behalf of a FTSE 100 company. It is also advising Texas Utilities of the US in its £4.3bn (£7.4bn) offer for Energy Group. In both cases, Merrill Lynch has mobilised its balance sheet as well as its advisory skills.

Its financing ability was

demonstrated in the Argos case when it was told on 6pm on a Friday that GUS wanted to go hostile on Monday morning. Together with Barclays, it provided the £1.6bn financing to allow the bid to proceed. The debt will be refinanced, possibly by securitising GUS's loan book.

In addition to Merrill's team, led by Guy Dawson and Bob Wigley, GUS had the services of Cazenove and its experienced partner, David Mayhew. He played a big role in developing tactics that would sway institutional shareholders, including how high to pitch the final offer to win the deci-

sive 15 per cent vote of Schroders' investment management.

The one misjudgment might have been the decision not to include an element of equity in the bid. Had investors been offered the opportunity to participate in GUS's upside, the outcome might not have been in such doubt.

Argos's adviser, Schroders, could take comfort in its defence, which achieved a closer result - no hostile cash offer has failed in the UK since the late 1980s - than many had expected. The catalogue company was reeling from a succession of profits warnings and the

absence of its chief executive, Mike Smith, because of illness.

Schroders, whose team was led by Robert Swannell and Alan Jacobs, helped to recruit Stuart Rose to take over as chief executive. GUS also agreed to a fashion catalogue joint venture with Littlewoods, which although derided by GUS, almost certainly prompted GUS to lift its offer to secure victory. In the final days, Argos also persuaded the Takeover Panel to allow it to produce a reasonably upbeat trading statement that gave the defence new whiz.

But, at the end, the hare won this race.

Japanese brokers hit by scandals and competition

By Bettina Hansen in Tokyo

Two of the remaining three Japanese securities houses of the original "big four" reported losses for last year, reflecting the impact of scandals, a sluggish stock market, and increasing competition from foreign brokers.

Japan's largest broker, Nomura Securities, returned to the black despite temporary suspensions of business imposed as punishment for its payments to "sokaiya" corporate racketeers.

Net profits were ¥2.95bn (£17.76m) for the year to end-March, against net losses last time of ¥271.51bn. Revenues slid 26 per cent to ¥342.6bn, largely because of a five-month suspension of some areas of business.

Operating and pre-tax profits were both down by

about two-thirds, to ¥42m and ¥40.1bn. Commission income fell, but the net gain from trading increased, and commission income fell accordingly. Other areas of the business also weakened.

Group net losses were reduced from ¥113.88bn to ¥47.10bn, but Nomura fell into the red at the pre-tax level, losing ¥38.1bn, compared with profits of ¥30.7bn the previous year. Revenues fell 24.8 per cent to ¥157.5bn. Nomura cut its dividend from 78 to 55.

Yamamoto Securities, previously the fourth-ranking broker, collapsed in November last year and has since been delisted. Kokusai Securities, the next largest comprehensive broker, which was not affected by the scandals, reported consolidated net profits down 23 per cent to ¥4.5bn, on pre-tax profit up 0.5 per cent to ¥10.7bn.

The dividend fell 20 per cent.

Scottish Power quits US talks

By Andrew Taylor

Nikko Securities also suffered a business suspension for its "sokaiya" links, and commission income fell accordingly. Other areas of the business also weakened.

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The dividend fell 20 per cent.

Scottish Power has pulled out of talks which could have led to it becoming the first of the US group to buy a US electricity group.

The Glasgow-based electricity, gas, water and telecommunications company revealed yesterday that it had terminated discussions with Florida Progress, which supplies power to 1.3m mostly domestic customers and has a market capitalisation of \$30bn.

A takeover by the British group would have reversed the transatlantic trend of the past two years in which US groups have purchased eight out of 12 English and Welsh electricity supply companies.

A ninth is owned by Energy Group, the subject of a bid battle between Texas Utilities and PacificCorp, both of the US.

Scottish Power, which supplies electricity in Scotland and owns Manweb, the North Wales and Cheshire supplier, said yesterday that it was still interested in making a US acquisition. It said yesterday: "We intend

to pursue our strategy of becoming a large international electricity player. The US remains an important potential market for us but there is no obvious candidate at the moment to replace our interest in Florida Progress."

Talks with the US group are understood to have ended after new information, revealed by due diligence studies, indicated that shareholder value would not be as great as Scottish Power had expected.

The main subsidiary of Florida Progress is the Florida Power Corporation, one of the state's largest utilities.

Progress, which has assets of \$3.8bn, reported a 76 per cent drop in earnings last year to \$4.3m, mainly because of write-downs following extended power interruptions at its Crystal River nuclear power plant.

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Barclays backs Navan

By Kenneth Gooding

Navan Resources, the mining company, yesterday announced that Barclays Bank was providing \$23m towards the expansion of its operations in Spain.

However, Navan's shares fell 74p to 60p on news that trading since October's interim statement remained difficult for the Spanish and Bulgarian operations. The company also said cost reductions had not been enough to offset the recent weakness in metal prices.

"The market is mad."

Barclays will provide a \$15m term loan facility and a \$5m loan, exchangeable into Navan shares at 50p. Barclays will also provide a \$3m working capital facility and be granted warrants to buy 375,000 Navan shares.

The money is for the first phase of a copper-lead-zinc mine at Aguas Tenidas, an expansion of the company's Almagre processing complex, and the proposed purchase of a 50 per cent interest in a copper-nickel project at Aguas Blanca, all in southern Spain.

Navan Resources is a mining company that has made significant investments in the last few years. It has a presence in Spain, Portugal, and the Balkans, and is currently developing its operations in Spain and Portugal.

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Navan Resources is a mining company that has made significant investments in the last few years. It has a presence in Spain, Portugal, and the Balkans, and is currently developing its operations in Spain and Portugal.

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PROPERTY
MEPC sells rest of its US assets

COMPANIES & FINANCE

SATELLITE COMMUNICATIONS \$210m DEAL WILL GIVE HYUNDAI AND DACOM MUCH-NEEDED HARD CURRENCY

George Soros buys into Globalstar

By Richard Waters in New York

George Soros has agreed to pump \$210m into an international satellite communications venture in what amounts to an injection of cash for two financially strapped Korean manufacturers, it was announced yesterday.

The complex deal will leave Mr Soros' investment funds with 4 per cent of the venture, known as Globalstar, and will give Hyundai

and Dacom, two of the equipment makers which are members of an international consortium building the system, a way of selling part of their stake in the venture.

The transaction is one of the first completed since Mr Soros made a public show late last year of hunting for investments to help the troubled Korean economy. Those efforts came after the hedge fund manager was demoralised in some parts of Asia for helping to cause the region's

currency crisis - a criticism he denied.

The Globalstar deal was

prompted by an approach to Mr Soros from the two Korean manufacturers, said Bernard Schwartz, chairman of Loral, the US company which leads the international consortium. He added that, rather than allowing only those companies to share in part of their stake, Loral had devised a plan that would make it possible for other consortium mem-

bers to sell as well, while also providing fresh funds to support the development of Globalstar itself.

"We didn't want to single out the Koreans - we didn't want to be selective," Mr Schwartz said, while acknowledging he was unaware of any others who were as anxious as the Korean companies to sell.

Under the three-part transaction, both the Soros funds and Loral would acquire Globalstar shares at a signif-

icant discount to the venture's current market price.

Loral said that it would offer \$50 a share for the equivalent of 8.4m shares from the manufacturing partners, including Hyundai and Dacom.

This would allow the partners to sell up to a third of their interest in Globalstar, which originally cost them around \$5 a share. Loral will keep half of these shares - lifting its own stake from 38 to 42 per cent - and sell the rest to the Soros

funds at \$58.33 a share.

The news helped lift Globalstar stock 51% yesterday morning, to \$68.

Half of the money raised, or \$210m, would then be set aside in a fund to pay for equipment needed to build the Globalstar system, Loral said. This could be used in part to pay the Korean manufacturers providing them with much-needed hard currency. Loral said it planned to sell \$500m of new stock to pay for its part of the deal.

NEWS DIGEST

BREWING

Lion Nathan shares surge on merger speculation

Shares in Lion Nathan, the New Zealand-based brewer which makes Toohey's, Castlemaine XXXX and Swan beers, surged on the Australian and New Zealand stock exchanges yesterday after the company suggested a merger or takeover was imminent. The shares leapt 46 cents to A\$4.65 in Australia and 43 cents to NZ\$5.30 in New Zealand.

The rises generated speculation about the identity of parties involved. Company sources would only say that Lion Nathan had been in talks with several foreign groups and that one had made a firm offer. Asahi Breweries of Japan denied involvement, as did South African Breweries. Other big international brewers mentioned included Anheuser-Busch of the US. Breweries said a bid at a premium to what they called "fair value" (NZ\$4.75-NZ\$5 a share) would value the group at just above NZ\$330m (US\$1.88bn), or about NZ\$5.50 a share.

Lion Nathan also announced that profit in the six months to February had exceeded analysts' expectations, rising 13.8 per cent to NZ\$82.7m. Gwen Robinson, Sydney

SWEDEN

Fall in Asian sales hits SKF

SKF, the world's largest manufacturer of rolling bearings, saw first-quarter profits fall almost 5 per cent following sharply reduced sales in Asia and volatile demand for machinery components. The company yesterday reported pre-tax profits down from SKr650m to SKr486m (\$60m) in the first three months of the year, even though sales rose from SKr6.86bn to SKr6.48bn year-on-year.

Peter Augustsson, managing director, said: "South-east Asia's problems with lack of liquidity among customers and distributors, high interest rates, credit restrictions and de-stocking at all levels, led to a sales reduction in these countries of slightly more than 30 per cent."

Tim Burt, Stockholm

TELECOMMUNICATIONS

Deutsche Telekom and France Telecom are nominating their chief executives to each other's boards. Ron Sommer of Deutsche Telekom will join the France Telecom board of directors; Michel Bon of France Telecom will join the supervisory board of Deutsche Telekom, which has a controlling, rather than management, role. The swap is subject to shareholders' approval. Ralph Atkins, Bonn

OIL AND GAS

Arco declines 56%

Atlantic Richfield said it saw its worldwide hydrocarbon output rising by 2 per cent in 1998, and increasing between 4 and 5 per cent a year through to 2001. But its first quarter oil and natural gas production was flat compared to a year ago. Los Angeles-based Arco reported a 56 per cent fall in net income as a result of lower crude oil and gas prices. Net income fell to \$202m or 82 cents a share, against \$480m, or \$1.41. Revenues fell from \$3.55bn to \$4.98bn. Reuters, Los Angeles

VW ready to woo the public for the crown jewels in cars

In spite of exclusive talks, the sale of Rolls-Royce to BMW is not a foregone conclusion, write Graham Bowley and Roger Taylor

Today, the supervisory board of Volkswagen meets to approve a fresh assault in its campaign to buy Rolls-Royce Motor Cars. It intends to give its executives the "widest possible flexibility" needed to secure a deal - a position which could see it offering as much as £390m (\$649m) for the UK luxury carmaker.

The move marks an extraordinary fight-back by Volkswagen which was always the outsider in the battle to buy Rolls-Royce from Vickers, the UK engineering group.

Its rival German carmakers BMW and Daimler-Benz, which operate at or near the top of the car market, seemed to have a natural advantage over VW, best known for its Golf hatchbacks and Beetles. And, unlike BMW, which makes engines for the new Silver Seraph model, VW has no existing relationship with Rolls-Royce.

So when Vickers announced it had agreed, in principle, to sell Rolls-Royce to BMW for £340m, it seemed the knock-out blow.

But VW has refused to roll over. Instead it has indicated it would raise its bid and has launched an increasingly credible campaign to unseat BMW.

Its latest move has been to appoint Pannure Gordon, the stockbroker, to help

present its case to Vickers' shareholders. Lord McGowan, Pannure chairman, is understood to be personally heading the team working on the project.

At this stage, the odds must still favour BMW which has agreed an exclusive negotiating period with Vickers, due to end on April 30.

However, crucially, Vickers' shareholders must still approve the deal at a meeting scheduled for early June.

VW says it intends to put a revised offer before Vickers' management the moment the exclusive negotiating period ends.

VW wants to buy Rolls-Royce in order to move credibly into the luxury car market. Ferdinand Piëch, VW's ambitious chief executive, is especially keen to get his hands on Bentley, the sporty brand controlled by Rolls-Royce, according to one member of VW's supervisory board.

"We are going into the luxury segment and we want a symbol that proves it," says one senior VW official. "We need to prove we can reposition our brand."

VW recognises that it must pay more than BMW, because of BMW's close links to Rolls-Royce, and it is careful to explain that it is willing to pay that premium.

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PERSPECTIVES

David Liggins was busking in Argentina when he discovered ocarinas. A music graduate and professional flautist, he had tried of teaching 11-14-year-olds at a school in England and was spending a year backpacking in South America with only his flute for company.

It was not long before he realised the potential of the ocarina. "As well as its purity of sound and beautiful resonance, the ocarina has a surprising range for an egg-shaped flute. A tuned ocarina also has perfect tone and pitch," says Liggins, though most of those he encountered in South America were not tuned.

He pondered the opportunity this could offer when he returned to the UK, and wondered what he would do with his future. After a few months working again in schools and teaching the tin whistle in the evenings, he founded the Ocarina Workshop from his parents' home in Kettering, Northamptonshire.

Nearly 15 years later, and after several vicissitudes, the business, now a partnership between Liggins, 45, and his wife Christa, 35, is making modest profits.

Liggins had realised that the ocarina would be a much better teaching instrument in primary schools than the recorder. "The recorder became popular in the 1920s because it was the only instrument available for music starters in primary schools," Liggins says. "However, to play the recorder, four- and five-year-olds have to do a lot of things that even adults find difficult."

"With the recorder, there is a lot to learn before being able to play anything. With the ocarina, however, it is possible to play a full scale in 10 minutes. It would take several weeks to achieve that standard on the recorder."

"The ocarina is a far more accessible instrument than the recorder and because it is simpler to learn it is far more likely to keep children interested in music, and hopefully to perform, throughout their school careers."

Flautist plays a fresh pitch

Hearing the ocarina played out of tune inspired a teacher to start a new career. Clive Fewins reports



David Liggins: 'The ocarina is a much better teaching instrument in primary schools than the recorder.'

After seeking out two ocarina makers in the UK, Liggins persuaded one of them to make cheaper plastic ones as well as the glazed earthenware instruments that were his standard lines.

Prices for instruments they sell range from £3 to £110.

Through Liggins' educational contacts, sales went well. In 1985 he gave up teaching, although he still conducts occasional teacher training sessions in ocarina playing and teaching.

In 1989, when he and Christa married, they invested £10,000 from their savings in a computer and desktop publishing system so they could originate their own teaching books.

They took out a £10,000 overdraft facility from the Yorkshire Bank to buy state-of-the-art music publishing software and to help pay for a small van for transporting their material and stock to exhibitions and events.

"Both proved a good investment. The publishing system was something he had wanted for several years," says Liggins.

The increased volume of work meant that after three months, Christa gave up teaching German in a sec-

ondary school and joined her husband full-time in the business, which is run from their home on the edge of Kettering.

In 1992, sales of instruments and music totalled £72,444 and net profit was £28,000. The following year turnover was £20,700 and net profit £20,000.

"We ploughed the profits back into the business and drew very little out. The policy was to invest in the future," Liggins says.

Until 1994, when turnover rose to £50,100, the couple felt quite pleased with their efforts. Net profit that year

was £27,700. The following year turnover fell slightly, to £28,500 and profit to £15,000.

The fall was easy to explain. The year before, the two had taken on their first full-time member of staff, Keith Loveridge.

"We knew that employing Keith, a friend of many years' standing, to run the office and look after stock control and dispatch, would

drastically affect our profits," says Liggins. "However, we felt this was necessary so we could devote adequate time to our two children and maintain quality of life."

The arrangement has

worked well but in the past two years, despite increased turnover, the couple have not been able to return to the previous levels of profitability. In 1996, turnover was £23,200 and profit £13,700.

"Cashflow has been quite good for several years, although it has proved difficult to reduce our overdraft below the £10,000 limit," says Liggins. "After we employed Keith, we could see that unless we tried a different tactic, profitability would remain at about 10 per cent rather than the 25-40 per cent we had been used to."

The arrangement has

manufacturer, Derbyshire-based John Langley, who makes ocarinas together with his son Joshua, they developed a cardboard instrument that performed well and could be assembled from a flat kit by a child.

Two years ago they invested about £40,000 in developing a three-in-one product - the 'Card-oc', a ceramic 'paint and play' version, and a plastic ocarina that came wrapped with a beginners' teaching book. The plan was to sell the three products together through a national mail

order catalogue house, but when trial sales with the cardboard ocarina proved disappointing, the mail-order company pulled out.

"We felt let down but there was very little we could do," says Christa. "Like all our instruments, the Card-oc is in standard concert pitch. It sells quite well, especially to schools and young people's organisations - and at £2.90 by post, the kit is very reasonable. But despite a lot of effort, it does not sell as well as it should. We can't really work out what is wrong with it."

The Liggins have steered away from mail-order catalogues as a result of this experience. When selling this way, margins are much tighter than the 42 per cent they work on with the instruments and the 70 per cent on books.

In 1997, turnover was £100,000 and net profits £10,000 - down because of a large purchase of stock and colour printing for book covers and promotional material. The Liggins would like to improve on this; they think it is quite possible through educational sales alone.

"Although we admit we still have a great deal to learn about marketing, sales of ocarinas and teaching books to schools are improving all the time," says Liggins. "We like to think this is a result of all our hard work over the years."

"I think that if we don't alter course, the business will take off very fast in the next two years. There are also signs of increasing sales on the Continent, particularly in educational markets in Germany, Austria and Scandinavia."

"We should like to feel that the ocarina as a teaching instrument will become as established as the recorder and the flute. It would be nice to feel we had really succeeded with the cardboard instrument, which performs well, and also managed to increase the surprisingly small number of people who know what an ocarina is."

■ Ocarina Workshop, PO Box 56, Kettering, Northamptonshire NN15 5LX. Tel 01536 455963; fax 01536 455051

The Nature of Things

Plants that switch on in the cold

Andrew Derrington looks at how their reaction to frost can be speeded up

global warming makes it more important than ever to understand how plants become resistant to cold and how to make them resist sudden changes.

Global warming will make the weather more variable. Warren says, so sudden frosts in the middle of warm weather will be more common.

This month, a group led by Michael Thomashow of Michigan State University has taken a step forward by creating a strain of the plant *Arabidopsis* that resists a sudden freeze to -6°C from a growing temperature of 22°.

Arabidopsis is not a food plant - it is the guinea pig of plant science - but most of the mechanisms that exist in *Arabidopsis* have counterparts in food plants.

According to Gary Warren of Imperial College, London,

very important indeed.

Previous work had shown that several different genes were involved in the development of frost hardiness during cold acclimatisation. The genes are present in the plant all the time, but they are inactive in warm weather.

As the weather gets cold, the genes gradually switch on, making the plant produce proteins that make it frost-resistant in ways that are not yet fully understood.

All the genes - there are about 25 of them - are switched on together during cold acclimatisation and no single gene is enough to make the plant frost-resistant. Creating artificially frost-hardy plants by arranging that all these genes are permanently switched on would be extremely difficult if each gene had to be

modified individually.

However, Thomashow recently discovered a commander gene: when it is activated it makes a protein that switches on several of the cold-resistance genes. The permanently frost-hardy plant was created by giving the plant a copy of the commander gene that is permanently active, instead of being activated gradually over several days when the temperature falls towards the freezing mark.

Having the commander gene controls frost acclimatisation in other plants that frost-hardy strains could be created in the same way, by permanently activating the commander gene.

Warren, who studies how individual genes contribute to frost tolerance, doubts

whether the technique will always work, especially in plants that are only distantly related to *Arabidopsis* or in plants that have no frost-resistant genes.

Having the commander gene controls frost acclimatisation in other plants that frost-hardy strains could be created in the same way, by permanently activating the commander gene.

However, if a tiny fraction of the frost resistance of barley could be transferred to maize - which cannot withstand the freeze, let alone the freezer - it would reduce its susceptibility to bad weather.

It is more difficult to manipulate genes in barley than in *Arabidopsis*. It would nevertheless be easier to apply results from barley to improve the hardiness of maize because *Arabidopsis* is a very distant relative.

So far Hughes's results suggest that the commander gene approach will not work in cereals. So far, she has identified four different genes that affect frost tolerance in barley.

Not only do the genes have different commands to activate them, in half of them the commands work in a completely different way.

With this intricate variety of ways of activating frost-



tolerant genes, it is unlikely that a single commander will control all of them.

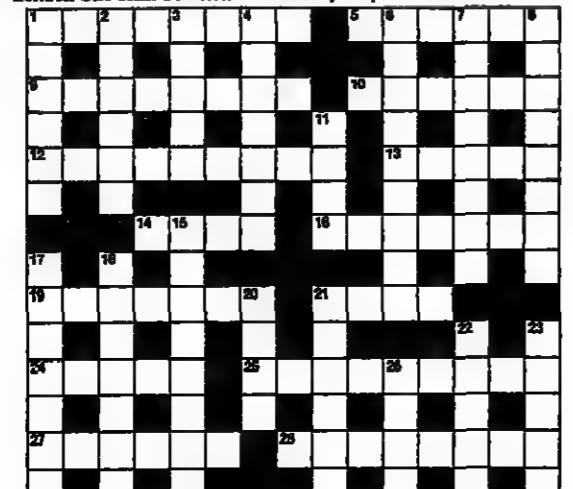
It looks as if it may be a little while before we can grow maize in our cottage garden.

■ The author is professor of psychology at the University of Nottingham.

CROSSWORD

No. 9,665 Set by DINMUTZ

The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Ercu Kid Finch Paper from Crane & Co will be awarded for the first three correct solutions. Solutions by Wednesday May 6, marked Crossword 9,665 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday May 9.



WINNERS 9,654: D. & R. Ellis, Gresford, Glos; M. Westlake, Bishop's Sutton, Lancs; Nicola White, Altringham, Cheshire. Crossword sponsored by:

Abels International
Moving Services

Crane's
SINCE 1801

Solution 9,664

TOTAL RECALL TIP
ODD AND DOWN
LURID OPERATION
EMETICALLY
RECONSTITUTE SUGAR
AOVEMENT
TEATIME SNAP
EFTON ASSESS
OTTER FIRMENTAL
TRES FCP
PROPELLED AMPLE
UYCEBES
THE THROWSTONES

WANTON LEAPING DOG
ODD AND DOWN
LURID OPERATION
EMETICALLY
RECONSTITUTE SUGAR
AOVEMENT
TEATIME SNAP
EFTON ASSESS
OTTER FIRMENTAL
TRES FCP
PROPELLED AMPLE
UYCEBES
THE THROWSTONES

BRIDGE

The defender found a brilliant, killing lead, and then sat back to receive congratulations. But it never came...

N
A 5 2
Q 10 2
A Q 10 3 2
K 5

W
A 10
A Q 8 3
J 4
A 7 6 5 3
8 7 6 5
A 9 8 6 4
K 10 7 2

S
K 9 7 6 4
K 9 8
K 9 4
3

North East South West
1D NB NB 2S NB
1D NB 2S NB

With all vulnerable, East did not overcall, although an unusual NT overcall - was discussed in the post-mortem. However, as East-West have both passed, they are likely to end up defending and the distributional information will aid declarer far more than the defence.

Even at trick one, West might have been more helpful. As it makes no difference which diamond he leads for the anticipated ruff, he should select his lowest, an extra suggestion that his re-entry lies in the lowest ranking suit - clubs.

West reasoned that as North-South held a diamond

fit, he might give East a diamond ruff, so he led 8s. East did ruff but, having used his natural trump trick, realised that another ruff was needed to make the action pay. Seeking the entry to his partner's hand, he laid down A9. West instantly imagined a heart ruff, so he encouraged J9. However, East did not produce K9, but a small one instead. Declarer faced K9, drew trumps and pitched his 3s on dummy's last diamond to record the overtrick.

Crucially, West misunderstood East's A9. It could not be from ♠AK because, in this position, he would lead K9. When partner is clearly seeking an entry, West should only encourage when he holds K9. Here, he discourages with 49, and East switches to a club in with A9. West can provide the second diamond ruff to justify his excellent lead and set the contract.

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Paul Mendelson

CHESS

No British grandmasters took part in this year's New York Open, and I suspect the UK players made a shrewd career move in preferring Las Vegas (where Hodgson shared first), Reykjavik, or even the sheltered waters of Sutton or Southend. With \$175,000 in prize money but 64 GMs and 42 IMs among 804 entrants, New York was, to use Spassky's phrase, hard bread for most of its highly rated players.

Despite fierce competition, Armenia swept the board. Minasian won on 8/9, with Lputian second and Akopian third. No wonder they knocked England out of the bronze medals at the world team championship.

In this New York game, a Russian world top 20 GM defeats a US master. White seizes on a couple of inaccuracies to establish a clear opening edge, then switches to a decisive king's side attack (B Baresov v B Martynov).

1 d4 d5 2 c4 e5 3 Nf3 Nf6 4 Nc3 a5 c5 Bf5! Better is an early b7-b6. As played, Black's f5 bishop becomes a target for White's pawns. 6 Bf4 Nbd7 7 e3 e6 8 Bc2 b5 9 Nf2 Subtly, White guards his f4 bishop from Nbd5, feints at g4 and b4 to harass the bishop, and

induces a weakling at e4. Ne4! 10 Ndc4 dxe4 11 Qc2 Nf6 12 Bg5 Simple chess and e4 tumbles. 13 Bxg5 Qxg5 14 g4 Bg6 15 Nxe4 Qh4. Black plucks the K-side to stop h4-h5, but the queen is a poor blocker.

16 0-0-0 Be7 17 Edg1 0-0-0 18 f4 a5 19 Bd3 Bxg4 20 Bxe4 Rfc8 21 Rg3 Drive away the BQ, and the king is an easy target. 22 g2 Qg2 Ra6 23 Rh3 Qh6 24 g5 hxg5 25 Bh7+ Kf8 26 Bd3 Resigns. White mates or wins a rook.

No. 1228
Karpov v Spassky, match 1974. White's next move is typical Karpovian strategy.

but many amateurs and talented juniors take an hour to find it. For full solution credit, find both the move and Karpov's plan.

Solution, Back Page

Leonard Barden

PERSPECTIVES

Joe Rogaly



This week's most unlikely story was that a South African hippopotamus, bereft of a partner, seriously inconvenienced an unknown number of giraffes. A close second, in order of improbability, was that Royal Dutch/Shell, the world's biggest oil group, has withdrawn from the Global Climate Coalition, a US-based anti-green lobby.

We must be grateful for every ray of sunshine that comes into our day. This does not stop us from shaking our heads in incredulity. Shell's livelihood depends on how much of its product we burn. The idea that it really wants the world to cut back on fossil fuels is at odds with the idea that it is in business to benefit its shareholders. The union of the two propos-

itions is as fanciful as that between Mr Hippo and his star-tired bride, she of the long neck and inaudible voice.

Clearly the company is not motivated by greed alone. Fear must have played its part. Remember when Ken Saro-Wiwa was executed by Nigeria for his defiance? Shell, a big player in West African oil, was thought to be in a position to use its good offices. To the extent that it did, it failed. Then there was the Brent Spar oil platform, the terms of whose disposal were dictated by German greens.

None of this was good for the image of the company. I suspect it also damaged the self-esteem of its employees. Other, apparently unrelated, events must have served to slap the message home. In the US, cigarette makers faced multibillion dollar law

suits and intervention by the federal government. The emissions from their product were harmful to humans. Most scientists accepted this. The industry tried to muddle us with papers refuting the anti-tobacco consensus. No luck.

Britain's cattle herders were similarly caught in a trap laid with exquisite stupidity by the Ministry of Agriculture. When cows began to die in a parody of mad sheep, it tried to shield its farmer-clients by prevaricating rather than taking early action that might have reduced the extent of the scourge. This was unwise. The European and US bans on imports of British beef remain.

The fundamental lesson is spelled out in *Companies in a World of Conflict*, papers from a 1997 workshop organised by the Royal Institute of International Affairs, known by its address as Chatham House. "A business management which recognises only those human rights which are already enforced by law or treaty may be surprised by the force of public opinion," writes John Mitchell, who edited the collection. "Ideas reach further than enforceable law, and are enforceable law itself moves."

Here we have a powerful notion. Some claims made in the name of human rights are specious. Laws to meet them could not be enforced. But surely we earthlings have a right not to be damaged by noxious gases or diseased cattle? This is an idea that has marched ahead of the settled convictions of lawmakers.

I would say the same of the use of antibiotics to fatten live-

stock. The result is a breed of antibiotic-resistant germs. Over-prescription by doctors has the same effect. A warning against both questionable practices came this week in a report from the science and technology committee of the House of Lords. Plenty of other august bodies have wagged fingers in the same direction. The idea that we must use antibiotics with extreme care is in the vanguard.

The courts cannot forever languish in the rear. Some grieving relative of a deceased patient will one day win a huge settlement from a purveyor of agricultural or medicinal antibacterial drugs. The industry is ready. Since the thalidomide tragedy, medicines have come wrapped in small print, harder to swallow than the tablets. It threatens you with side-effects, scaring enough to put you off unless the need is dire. We do not read it. Lawyers tuck it on to tissue paper to protect their clients.

Fair enough, but prudent management try to foresee public attitudes. We saw an example this week, at a Chatham House conference on multinational investment and human rights. The ethical commitments of Shell, British Petroleum and Rio Tinto mining were proclaimed.

Half of us wants to recognise this as a welcome improvement in the conduct of global business. It might be extended to other companies. Quite a few, like Unilever, are already possessed of codes of ethics.

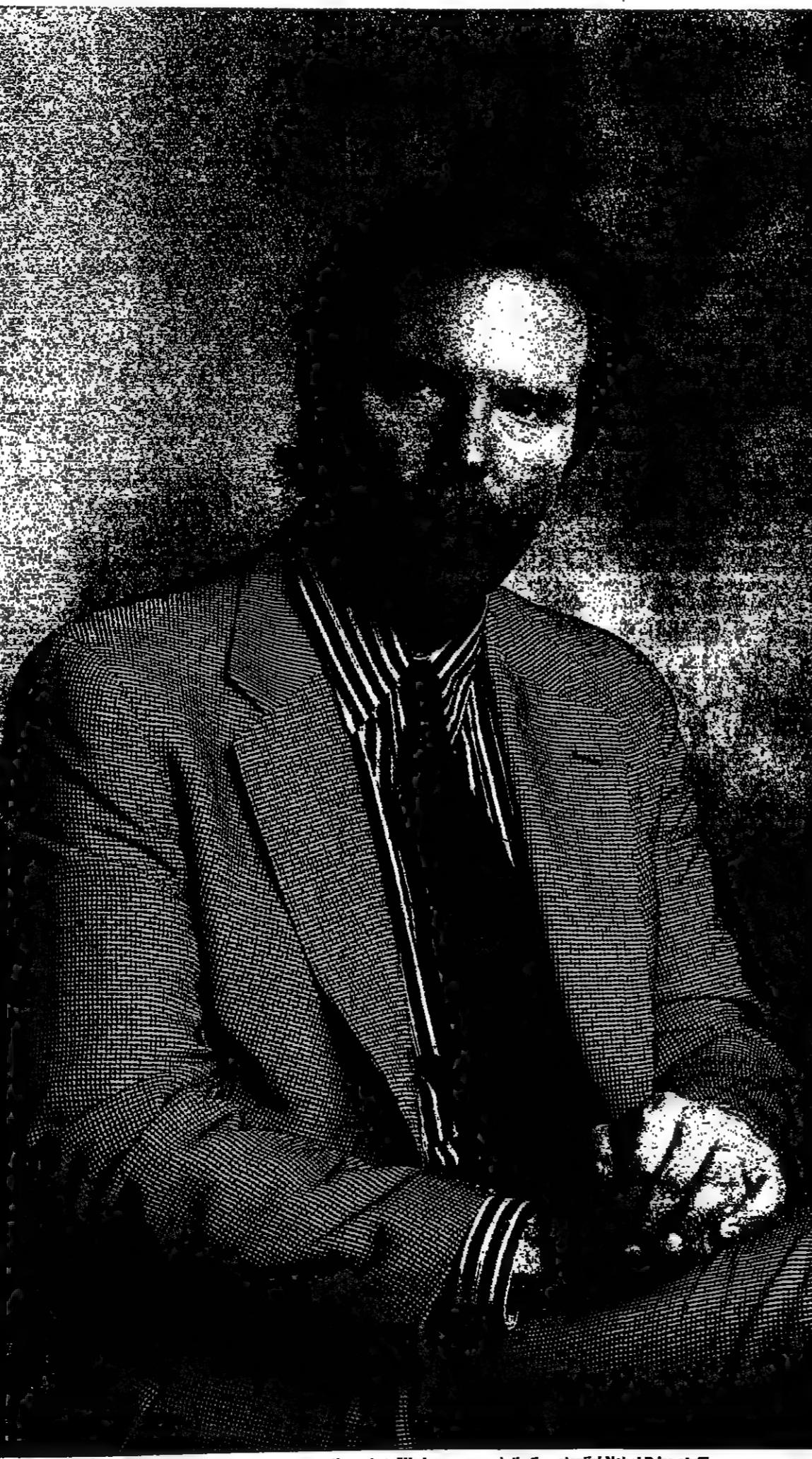
But my other half wants to stand up and shout "watch out giraffes everywhere. The hippos are right behind you."

Earthscan, London

joe.rogaly@ft.com

Green giraffes beware corporate hippos

Shell's withdrawal from an anti-green lobby is good news, but we may shake our heads in incredulity



Nicholas Negroponte insists The Media Lab is at the cutting edge: 'We have research that's potential Nobel Prize stuff'

Lunch with the FT

Fast forward for the cyber-evangelist

Victoria Griffith feasts – in haste – with Nicholas Negroponte

I want you to know that I only give about three face-to-face interviews a year, so this is a big deal," says Nicholas Negroponte as we sit down to lunch.

While too accommodating to be justly described as arrogant, the cyberspace guru comes close. "It's just that I like the FT," he adds, on a softer note. "I'm not sure why."

Everything about Negroponte – a father of the internet and author of the best-selling book *Being Digital* – seems to send the message that time is at a premium. He has asked me to meet him in the middle of a Saturday ice storm at his office in Cambridge, Massachusetts, and chooses the closest restaurant, Legal Seafood, for the sake of convenience.

He micro-manages the details, rejecting the waiter's first choice of table and, once we are seated, telling me to move my tape recorder closer. He doesn't even look at the menu, which he says he has memorized, and orders a Bloody Mary, clam chowder and oysters. "Not on the same plate," he instructs the waiter. "You usually get it wrong."

I hurriedly scan the menu and select clam cakes and trout. It seems appropriate that one of the early champions of cyberspace seems to move at such high speed. He tells me he wrote *Being Digital* in six weeks.

Negroponte became famous by predicting the internet was going to be a big deal before most of us even knew it existed. In the early 1980s, he was the world's chief cyber-evangelist, preaching the merits of a digital lifestyle. The internet, he told us, would bring world peace, destroy trade barriers and promote democracy. Heads of government consulted him.

After *Being Digital* hit book stores in 1995, the Media Laboratory, an academic research institute run by Negroponte and part of Massachusetts Institute of Technology, became the place for anyone wanting to learn about the mysterious world of cyberspace.

The Media Lab, as it is widely known, is no longer considered the main research engine of the internet, which has become too big for one institution to claim that role. Yet Negroponte, predictably, insists that it has never been more on the cutting edge. "Interest from journalists may have died down, but we have research going on that's potential Nobel Prize stuff," he says.

One such project is a quest for "digital ink", a somewhat wacky application that will allow books to transform themselves overnight from, say, Moby Dick to Tom Sawyer using chemicals that can be changed electronically. Another is the "smart toys" division, which is trying to make objects children can program and re-program.

While current Lab projects sound

fanciful, Negroponte's main focus has always been on the practical. To him, the great value of the internet is that it saves time. He has little use for online chat rooms, games and channel surfing.

The main benefit of cyberspace, he says, is that it speeds up research, communication and consumer purchases, particularly known as "e-commerce".

"Clinton is saying that e-commerce will amount to \$327bn by the year 2002," says Negroponte as he sips his Bloody Mary. "He's underestimated by a magnitude of two or three. Where did that number come from anyway? It bothers me, because it's an exact figure. It makes it sound as if they studied it and made a precise calculation, and I bet they didn't."

Being in academe makes it easier to be opinionated, and Negroponte makes full use of the privilege. What does he think of Microsoft's battle with the US government?

"It's clearly a monopoly," he says.

The internet, he told us, would bring world peace and destroy trade barriers

The waiter has served his clam chowder and, ever pressed for time, Negroponte starts without waiting for my clam cakes to arrive. "But I agree with Bill Gates that there is a lot of innovation in the industry. It doesn't matter, anyway, because Microsoft will break itself up soon. It's too big to control, and Seattle's a dumb place to have it all located."

Negroponte doesn't like to look back. Hoping to impress him with the thoroughness of my research, I mention I re-read *Being Digital* before our meeting. "You did?" he asks, feigning shock. "Don't you think it's a bit old?" The author says he can't recall what he wrote. Still, he admits some events of the past few years have surprised him.

"As much as I like to think I understood how fast all this was going to move, I don't think I did," he says. "I don't think anyone did." He is taken aback at the poor quality of software in the market. "Each generation of software is worse than the last," he complains. "It's a conspiracy. They pad the product with useless programs then force you to buy it. I've been shocked at how easily the public swallowed Windows, which is a terrible, cumbersome system."

What the industry needs, he says, is slimmed-down software that does not overburden users with options they will never use.

As he polishes off his first course, Negroponte offers some predictions. He has invested in, and chairs the board of, DigiCash, whose product is electronic cash, because he believes credit cards will not be able to support all transactions on the internet. Electronic cash (or e-cash) is a virtual debit card that allows users to charge purchases to a pre-set cash account.

"What it gives you is anonymity," he explains. "I don't think people will want to hand out their credit card to everyone online."

E-commerce is still viable, says Negroponte, because of the respect companies such as Amazon.com (book-seller) and HomeRun (grocery delivery) have for customers' privacy. "Even though they have a lot of information on you, including your buying habits and your e-mail address, they don't bug you."

Those companies have a stake in maintaining a good relationship with their customers. What could land internet users in trouble, Negroponte predicts, are small purchases. "It's buying the odd small item from companies you don't know that well that could get you on someone's e-mail list. That's when people will start using e-cash."

Negroponte is disappointed at the performance of Netscape, the internet navigator. "I expected Netscape to do better," he says. "They just had such a head start. I think they've stumbled because they forgot about the loyal customers, like me, to concentrate on institutions. I don't use Netscape any more. Do you?"

The biggest change in the use of the internet over the next decade, Negroponte avers over a cup of coffee, will be a boom in its popularity in developing countries. "Five to eight years from now, the most commonly spoken language on the net will be Chinese, not English," he predicts. It is at that point, he believes, that problems with low bandwidth will become obvious.

As Negroponte explained in *Being Digital*, bandwidth is the pipe through which digital signals must travel to reach their destination. The narrower the pipe, the slower the delivery. "And nowhere is the pipe narrower than between countries," he says.

It is striking that the man who built his fame as the internet's main cheerleader has begun to sound notes of caution about the system's speed and the importance of anonymity. Perhaps it is a sign of the maturation of an industry, as well as the man.

As we say goodbye, Negroponte assures me I can write whatever I like; he never reads his press. "The bad stuff makes you mad," he says. "The good stuff goes to your head." And with that, he strides off in the direction of the Media Lab, ice pellets bouncing off his jacket.

say it. But were I able to vote I would still not have any more say regarding, for example, the training of foreign death squads or the conduct of the espionage apparatus.

I concede that my opinions may be in the minority, but this does not mean I want to concentrate my powerlessness in a stadium, waving a little flag.

Were it possible for me to go without citizenship of any kind I would do so, but the world does not recognise that right. Were it possible for me to become a dual citizen I might exercise that option in the name of balance, but Belgium does not allow the possibility.

I am a loyal citizen of my neighbourhood and an uneasy citizen of my city. I hold a passport that commemorates the circumstances of my birth. I am an informal citizen of America, broadly defined. I do my best to be a citizen of my own conscience.

Luc Sante is the author of *The Factory of Facts*, published in the UK by Granta (£12.99).

Truth of the Matter

Can't salute you, can't find a flag

Luc Sante would queue to be a citizen of the world – if the world would let him

I am a Belgian subject. When travelling, I carry a maroon-covered passport which identifies me as a member of the European Union, and allows me to breeze through the immigration lines at airports in most western European countries.

Yet I live in the US, have lived there for more than 35 years and have no immediate plans to leave. When I return to New York City from abroad, I am made to wait in an endless queue at JFK airport along with all the other aliens. The fact that I have a green card – have had one for so long that I can remember when Permanent Resident cards were actually green – does not give me any particular privileges. When I arrive at the booth, the immigration officers always take their legs shackled. I waited for 45 minutes, growing increasingly nervous. The cause for my sequestration turned out to be a computer glitch.

I could avoid such mishaps by becoming an US citizen, but on the other hand these experiences do not exactly quench my desire to be naturalised. While I can perhaps understand that half the globe would flood the US if the gates were opened, and can empathise with the average immigration officer stuck in a hellish job, nothing excuses the lack of common consideration – not toward me, particularly, but toward the likes of those men in shackles – that appears to be a policy of the immigration and Naturalisation Service.

This is not an isolated characteristic of one arm of the government, but rather reflects a pervasive arrogance exuded by the US. But I'm Belgian, after all. Not many Belgians believe in their country to be the greatest in the world.

The absence of national vanity may be what has kept me Belgian, even though I haven't lived there since childhood. Belgians would cut a ridiculous figure as Jingolists. Not only is the country small, it is divided in an extraordinary number of ways. There are three language groups and three governmental divisions. There are differences of a strictly local nature between minuscule regions and an immemorial tradition of semi-auton-

omous cities. Ask Belgians how they would identify themselves and this one will say "European", another "Liegeois", yet another "Gauvin". But some will say "Belgian", but more so in a World Cup season than any other time.

Belgium is not exactly without sin. It did, after all, claim ownership for many decades of three African nations, one of them more than 30 times the size of Belgium. But you won't see Belgians insisting, at international events, that their flag be mounted higher than those of other countries, something the US routinely does.

But then I'm not about to go back and live in Belgium anytime soon. I'm a hybrid, but with a

distinct tilt in favour of the US. I've spent most of my professional career writing about American history and literature and art. I have a deep feeling for the country, its complexities and contradictions, its rich mongrel culture, its endless surprises, its wavering but unkillable small-D democracy.

I might like to pick and choose my own American culture from the menu, but I'm aware that you can't have Herman Melville without Cotton Mather, or Thomas Paine without Henry Ford, or Bessie Smith without Nathan Bedford Forrest. The elements were fixed before I got here, and no substitutions are allowed.

It might be argued, in fact, that internal tensions are the fertili-

say in it. But were I able to vote I would still not have any more say regarding, for example, the training of foreign death squads or the conduct of the espionage apparatus.

I concede that my opinions may be in the minority, but this does not mean I want to concentrate my powerlessness in a stadium, waving a little flag.

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PERSPECTIVES



The Hare Krishnas caught up with me in New Delhi

Amy Louise Kazmin has to reassess teenage fears of the movement as it wins acceptance in India

A tall, milky-white young man, with blue eyes and shaved head, and wearing the orange robes of a Hindu holy man turned up at my New Delhi apartment the other day. He had a giant V painted on his forehead, and a red mark between his eyes. With him was another robed man, apparently of Indian origin but with unmistakable US body language.

As I took in their earnest faces, exotic markings, lack of hair and tell-tale clothes I could not stop myself laughing. "Oh my God, the Hare Krishnas are here", I said to the friend I was speaking to on the phone.

When I was a teenager in southern California in the early 1980s, much was made in my particularly-religious Jewish community about the menace presented by the Hare Krishnas, who were – perhaps still are – fixtures on university campuses.

Don't talk to them, I was warned by community elders, or they'll convince you that education is a waste and you will end up spending your life selling flowers at the airport. If they invite you for dinner – don't go; you'll be whisked off to India and never see your family again.

Don't sit on a bench on campus by yourself if you're depressed or lonely; they'll find you and start brainwashing you. It was suspicion bordering on paranoia.

To a certain extent, these fears were not unfounded. Few American Jewish kids ever became Bible-thumping Christians, but plenty gravitated to the Hare Krishnas, renouncing education, their jobs, their western names and their hair in the bargain. By the time I was packed off to university at Berkeley at 18, the Hare Krishnas were thoroughly demonised in my mind as people who were out to "get" me if they

could. Now, years later, here they were on my doorstep. And all I could do was laugh.

The milky-faced young man turned out to be Madan-Mohana Das, formerly Maxine Ospov, son of a Russian military man. In 1991, Ospov had been an 18-year-old chemistry student at St Petersburg university, asking the usual questions about the meaning of life. Reading the Bhagavad-Gita, one of the best-loved sacred Sanskrit texts, he became convinced it had all the answers.

So Ospov dropped out, donned an orange dhoti, and began life as a full-time religious student and volunteer for the International Society for Krishna Consciousness (Iskcon), as the Hare Krishnas are formally known. And, of course, he changed his name.

But Das did not end up selling flowers at the airport. He rose through the ranks as a Hare Krishna "communications representative". And, armed with mobile phone, business cards, and slick publicity literature, he was at my doorstep to invite me, as a member of the Delhi foreign press corps, to the inauguration of a \$2m Iskcon temple.

It was a temple, Das made clear, the likes of which India had never seen. Along with idols of the deity Krishna, it boasted "The Bhagavad Gita Experience", an animatronics show with robots depicting Krishna and Arjuna, warlike hero of the Gita. These had been made by the Los Angeles-based company that created rides at Disneyland and the special effects for Hollywood.

Still being built at the temple is another attraction: a "Journey through the Vedic Cosmos", which will have seats that move and shake along with screen images to give a sensation of space travel. I wasn't laughing any more.

Then Das dropped the big bombshell. This "spiritual Disneyland" was going to be inaugurated by India's new prime minister, Atal Behari Vajpeyi, a stalwart of India's Hindu nationalist Bharatiya Janata party.

I was astonished. Because not only had my family viewed the Hare Krishnas as an alien movement with ambiguous intentions, but so had many middle-class and affluent Indians. When young Americans began pouring into India chanting "Hare Krishna, Hare Rama", in the 1970s, it was the height of the "licence raj", when state control of industry was rampant and

their dress, food, deities and ways. They liked seeing western women in saris and young men in traditional dhotis. They were happy to see outsiders eating their food with such relish, and worshipping their deities with such fervour. It was a symbolic surround for people who often feel their traditions are under siege from powerful western

influence.

Even Hindu nationalist organisations are now touting the Hare Krishnas as proof of the acceptability of a strict Hindu lifestyle and ideals. "They are even more strict than the Indians," says V.H. Dalmia, president of the rightwing Vishwa Hindu Parishad, formed to protect Hindu interests in India. "Iskcon has penetrated even the communist countries. That's a very big achievement."

Of course, plenty of Indians still dismiss them as lost and confused. And western-born Krishna devotees are still barred from entering the sacred temples at Puri in Orissa because the priests there refuse to recognise them as Hindus.

But for India's Hindu nationalists, with their deep-rooted philosophical objection to western consumerism, the ascetic Hare Krishnas are the perfect poster children. And that could explain what brought Vajpeyi to inaugurate the temple earlier this month.

At the ceremony, Vajpeyi

many Indians were convinced the US Central Intelligence Agency was behind it. To people living under enforced material austerity – when getting a phone could take 10 years – a CIA conspiracy was the only way to explain why kids from the world's most affluent society were showing up to sleep on floors and spend all day praying.

That mistrust was magnified by the fact that Hinduism is not a proselytising religion, and has no formal conversion process. If you ask most Indians, they will tell you the only way to be a Hindu is to be born into it.

Even Indians who did not sus-

pect Hare Krishnas of being CIA spies dismissed them as a bunch of confused pot-smoking hippies. But there was plenty of concern that these debauched westerners might lead good Indian boys and girls astray.

In the 1970 film, *Hare Rama*,

Dev Anand plays an airline pilot who rescues his sister from the corrupting influence of western hippies in Kathmandu. In a key song – still often played at Indian discos and parties today – dazed-looking westerners, apparently high on marijuana, dance around singing "Take another drag, take another drag, Hare Krishna, Hare Rama".

The Hare Krishnas may have preached asceticism and abstinence, but to Indians, they were indistinguishable from the free-wheeling flower children. In another film, south Indian movie hero Rajinikanth played a young Indian man who goes to the west to work or study, then comes back home as a Hare Krishna – much to the chagrin of his traditional, middle-class parents. Such stories were unheard of in real life either.

But Indian suspicion of the movement gradually waned. As the organisation built its global chain of inexpensive guest houses and pure vegetarian restaurants, many Indians began taking advantage of these while on trips abroad. People grew accustomed to seeing pale young foreigners, nodding with prayer beads, chanting in the streets of Indian temple towns.

Today, the Hare Krishnas

are part of the landscape, and generally seen as harmless, if still a bit odd.

Apparently, something else happened too. As the general shock of it wore off, some Indians found they were quietly pleased that foreigners were adopting

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Slices of Israel's birthday cake

Ilana Bet-El gets a sense of the country's contradictions from books marking its first half-century

Round anniversaries are an interesting phenomenon: like specific birthdays, they simply appear in the midst of ongoing events, inspiring reflection and demanding celebration. And while reflection is mostly a worthy pursuit, celebration is more problematic. In fact, it is exceptionally difficult to align an anniversary in any country – or person – with a precise point of health, happiness, clear direction and general prosperity. To many

THE FIFTY YEARS WAR: ISRAEL AND THE ARABS
by Ahron Bregman and Jihan El-Tahri
BBC Books £19.99, 301 pages

ISRAEL: THE HISTORICAL ATLAS
by Correspondents of the New York Times
Simon & Schuster £25, 208 pages

ISRAEL 50
Ben Caspit and Ilan Kfir
Alfa Communication £29.95, 300 pages

THESE WERE THE YEARS...
by Nissim Mishal
Yediot Ahronot £19.99, 336 pages

A HISTORICAL ATLAS OF THE JEWISH PEOPLE: FROM THE TIME OF THE PATRIARCHS TO THE PRESENT
by Eli Barnavi
Kuperard £27.95, 300 pages

it may seem that Israel is none, or very few, of the above. Yet nonetheless, Israel is 50. A round half-century. No longer a struggling young nation, not quite a mature nation.

Israel is many things to many people, not least to itself. A Jewish state, yet a secular one; a new nation state, yet one with endless and tangled ties to the past; a fighting young state that has become a regional superpower; a fiercely independent state that still clings to its patron, the US. The list can go on and on, each point true, each also apparently contradicted by another.

For most of us, Bethlehem hospital is best known as "Bedlam", a catch-all caricature for lunatic turmoil and inhuman care. In the 16th century Shakespeare and other satirists used images from Bedlam to symbolise the madhouse morals of a corrupt society. In the 18th century, visits to the hospital, rehoused in a magnificent neo-classical building, adorned at the entrance by Goblet's Michelangelo statue of "Melancholy" and "Raving Madness", became a popular pastime.

Now domiciled far from the public gaze in rural Kent, and amalgamated since 1948 with the Maudsley, one of the world's best known psychiatric teaching hospitals, Bethlehem celebrated its 50th anniversary last year. To mark the event, five social historians have collaborated on a long-overdue history of this unique institution, which has a strong claim to be the oldest foundation in Europe with an unbroken history of sheltering and treating the mentally disturbed.

Bethlehem had its origins in the time of the Crusades, when a London alderman, Simon FitzMary, founded a priory in 1247 in London dedicated to the Bishop of Bethlehem. Originally founded to support the Christian campaign against the infidels, by the 1300s Bethlehem began to specialise in the care of the insane. Richly endowed by benefactors, Bethlehem was frequently fought over by the Crown and the City for its revenues. Incarceration in the hospital as a form

And that is precisely the problem with Israel: it is so difficult to define, which is why it is also often difficult to see it as any other normal country. Yet Israel is now 50; an apt time to accept both definition and normality.

The various facets of Israel, as also the question of normality, are well reflected in this array of books. Indeed, one of the strongest points of *The Fifty Years War* is its portrayal of the country as just another of the sides involved in the Middle Eastern conflict without qualifying it for better or worse. Since the same is true of the depiction of all the other sides, the events are the real focus of the narrative, rather than opinion or sentiment. And the narrative is fascinating, suffused with a bizarre combination of both cynicism and naivety, and played out against the background of the cold war.

As such, it actually highlights the long and interesting process of political maturing, both in Israel and throughout the Arab world. For while Israel was a new and unwelcome introduction in 1948, in effect most of the states in the region were new, post-colonial formations. But they have all come a long way: the book reveals that in 1967 the USSR maliciously instigated the war, as part of its duel with the US, despising the sides to be no more than pawns. They were – but paradoxically, the event also pushed them all towards the status of players, which is why subsequent negotiations, especially in the post-cold war era, have become increasingly harsh.

Based on the BBC TV series, the book often reads more as a thriller than a well-documented work of history, with plots, alliances, conspiracies and counter-conspiracies chasing each other from chapter to chapter. That said, the Syrian side is often missing from the historic events – the 1973 ceasefire not even mentioned – probably because there was much less access to relevant documents or people. This is important because it is clear the characters in the region tend to be longstanding and deeply bound into the conflict – unless they die or become eliminated – which may be one of its key problems. Shimon Peres, for

Long journey from the asylum

A history of 'Bedlam' paints the hospital in a new and impressive light, says Mark Archer

of political control was a convenient recourse of the authorities from the early 18th century onwards. Nathaniel Lee, a Jacobite playwright who was committed for criticising the Glorious Revolution, put the politics of lunacy in a nutshell: "They said I was mad, and I said they were mad; damn them, they out-voted me."

In general, though, the City governors locked up lunatic vagabonds who threatened to do harm to themselves or others, or poor souls whose families could no longer cope at home. In 1598 there were only 20 inmates. By 1650, beginning to reflect a new spirit of the age, inmates started to be known as "patients" rather than as "prisoners".

Assessing Bethlehem's reputation for staff brutality, the book concludes that principle and practice were often at odds. Elizabethan vagrancy acts advocated whipping the mad and sick yet as early as 1641 Bethlehem officers and servants were forbidden either to "give any blowes... to the Mad folkes" or even to use "any ill language" towards them. But Bethlehem's administrative committee was simply too detached from the day-to-day

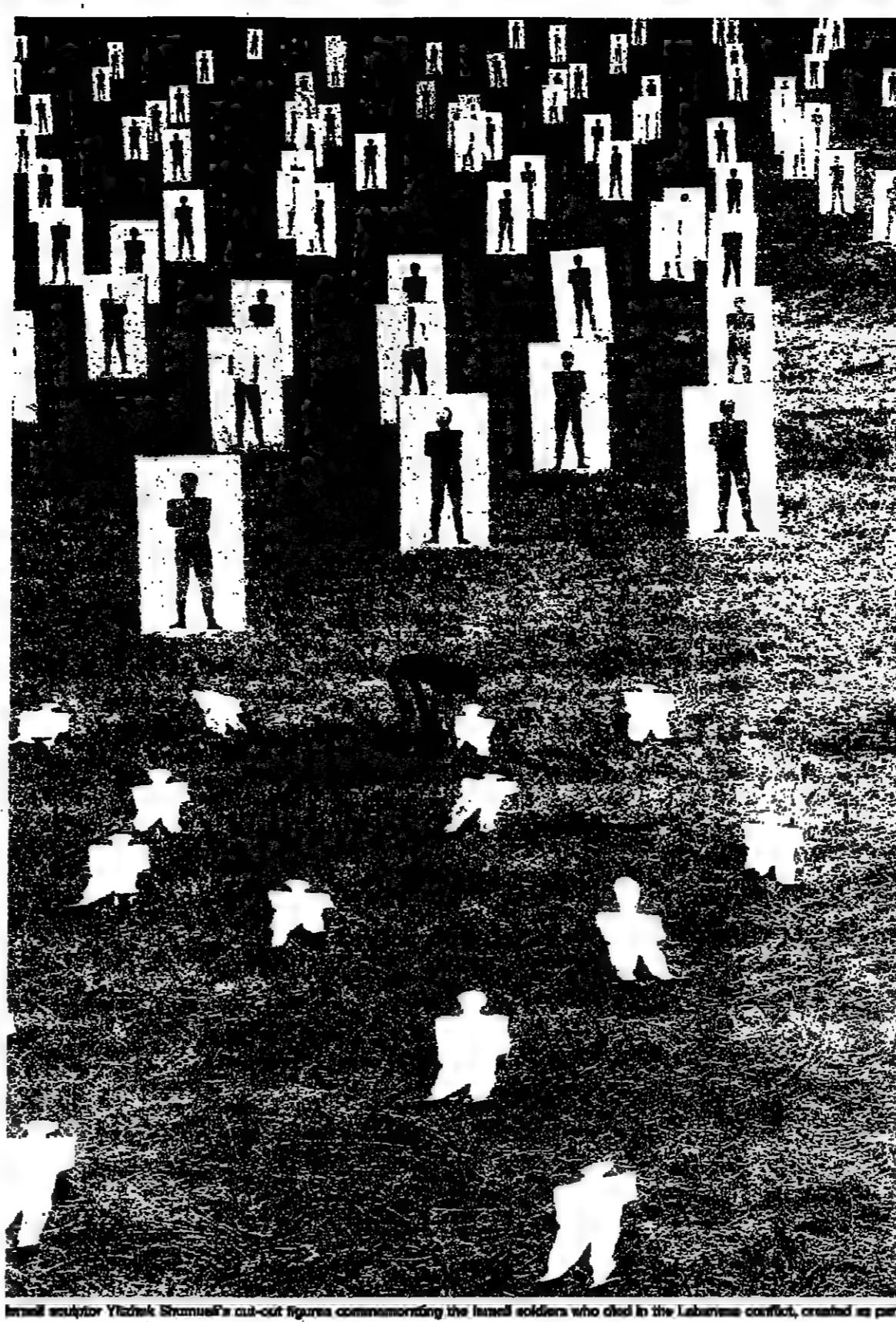
running of the hospital to stamp out abuses, a fact confirmed by contemporary visitors, who repeatedly castigated the brutality of staff.

Public visiting is another of Bethlehem's more infamous practices which gets reviewed in a new light in

the book. The hospital attracted as many as 100 visitors a week at the height of its popularity. In 1663, Samuel Pepys sent his cousin's children "to see Bedlam" as their first treat on an itinerant embracing shopping, dancing, dining, the theatre and Westminster Abbey. Eighteenth-century tourist guides to London recommended viewing the "tomfoolery" of the patients as a "perfect amusement". For Bethlehem's governors, admitting paying visitors was a useful source of income. The authors also argue that visitors relieved the boredom of patients and ensured that

any abuses were identified and addressed, by virtue of being kept in the public eye. With a change in public sensibilities and the ending of visiting in 1770, Bethlehem's patients entered a period of isolation which coincided with the hospital falling behind in administrative and medical standards. Criticised by the Lunatic Reform movement for its obsolete practices, inhuman confinement and inattentive medical staff, Bethlehem was twice the subject of parliamentary review in the first half of the 19th century. Under its first resident physician-superintendent, William Hood, appointed in 1832, who was later to include Virginia Woolf among his private patients, Bethlehem started to acquire a new reputation as a hospital rather than an ill-governed, outmoded charitable madhouse for pauper lunatics.

In the early 20th century Bethlehem exploited its freedom as a semi-private institution to pioneer advances in the treatment of mental illness. These included admitting voluntary patients, opening the first purely psychiatric outpatient department in London, and leading in the adoption of mental illness.



Israeli sculptor Yitzhak Shmueli's cut-out figures commemorating the Israeli soldiers who died in the Lebanon conflict, created as part of the 'Peace Now' movement. From 'Israel 50 Years As Seen By Magnum Photographers' (Aperture 248)

BOOKS

Fiction/Christine Pountney Powers of invention

Over the years, John Irving has regaled his readers with riotous tales of epic proportion, by turns lurid and compassionate, and his latest novel is no exception. *A Widow for One Year* tells the story of Ruth Cole, a successful novelist who is haunted by the absence, as much as the presence, of certain key people in her life. Typical of Irving's style, Ruth's story is only one among a complex network of others stories that, by grand design (and more than a few serendipitous coincidences), are all connected to her own.

The novel hits the ground running, the first few pages are bristling with prurient and prophetic detail. Four-year-old Ruth finds her mother, Marion, in bed with her father's 16-year-old chauffeur, Eddie O'Hare, who 36 years later, will fall in love with Ruth. We find out that Ruth's father, Ted, best-selling author of children's books and an incurable womaniser who is attracted to young mothers, has hired Eddie for his wife's benefit as a distraction from her grief over the death of her two sons.

Ruth's mother then runs away, taking with her all the photographs of the dead boys. The only trace she leaves behind is an empty hallway full of picture books. For each picture book there is a corresponding story, and when those begin to fade from the four-year-old's memory, Ruth is forced to invent new ones. This constant act of imaginative reconstruction is given as part of the reason Ruth becomes a writer in the first place.

Irving simultaneously describes these cataclysmic events and reveals their far-reaching consequences. Knowing what will happen does not stop the reader from wanting to know more. The pace, however, never really recovers after the first explosive section, and the fact that nearly every character in the book is a writer doesn't help. The novel flags towards the middle as Irving uses Ruth's experience and convictions as a writer (as well as Ted's, Eddie's, even Marion's) to explore the relationship between fact and fiction.

As a novelist, Ruth believes that good writing is not autobiographical. She vehemently denies that her characters are taken from real life, arguing that a writer should at least be capable of inventing characters that are more interesting than real people. She is intolerant of fans who probe into her personal life and draw conclusions about her based on her characters. Ironically, I found myself doing the very same thing – was Irving writing about a writer in order to express his own opinions? Was he taking this opportunity to tell his readers what it's like to have his privacy invaded? To be misunderstood? To have what he prizes most of all – his novelistic imagination – ignored or overlooked?

Of course, to leave it there would be too simple. While thinking about her next novel, Ruth visits a prostitute in Amsterdam and witnesses a murder. What was originally intended to serve as field research becomes

A WIDOW FOR ONE YEAR
by John Irving
Bloomsbury £16.99, 547 pages

her inspiration. She is gradually forced to back-track on her own credo as the book she is working on becomes increasingly autobiographical.

After this sea-change, the novel regains momentum. There is less disruptive theorising and a welcome return to the characters in the story. The themes of love and loss resurface and the book ends on an emotional high note, singing the praises of faithfulness, in which love is measured in degrees of remorse and grief.

The author's admiration of 19th-century fiction, particularly the work of Charles Dickens, is in plain evidence. Irving is preoccupied not so much with inferiority as with dramatic tension, nor with creating verisimilitude as much as forging a distinctively fictional world. His work is intensely plot-driven, his characters are larger-than-life, often grotesque or carnivalesque, and always subordinate to the greater good of the story.

While Irving's work pays homage to the art of storytelling, it is also what distinguishes the author to the lower rungs in the hierarchy of "literary fiction"; his books feel more at home among the sub-genres of detective fiction and romance. While Irving might never win the Booker prize, his devout following will no doubt relish this latest addition. It is very satisfying to read a book that is hard to put down, and if this were a more valued criterion, Irving would no doubt by now have received the official accolades he deserves.

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BOOKS

Travels with a cerebral sensualist

A.C. Grayling reviews two complementary accounts of the life of Lawrence Durrell

Lawrence Durrell was an exile. Born in India to a long-standing colonial family of the social class, then briefly educated in England at a minor public school in fulfilment of his father's aspirations to social advancement, he was never able to accept England and its attitudes, and therefore chose to make his exile permanent.

He lived in Greece, Egypt,

LAWRENCE DURRELL: A BIOGRAPHY
by Ian MacNiven
Faber & Faber £25, 301 pages

THROUGH THE DARK LABYRINTH: A BIOGRAPHY OF LAWRENCE DURRELL
by Gordon Bowker
Picador £15, 400 pages

Argentina, and for many years in France anxious to sink roots, he devoted intense study to the places he occupied, wrote about them marvellously in his travel books, and used them as the theatre of his fiction and poetry. He had the exile's vivid sense of place, and of how people are shaped by it. Although he loved Greece and Provence, he felt that his home was a country he had never visited, but had seen from his boyhood home in Darjeeling, floating not just above the earth but, it seemed, the heavens themselves: Tibet, the tragic holy land now raped and emprisoned by its Chinese invaders.

There is no natural slot in 20th-century English literature for Durrell's creative work. He was an experimental novelist, a cerebral sensualist, brilliantly - even exuberantly - gifted with words; and yet both his poetry and his novels somehow fall short. The reason is paradoxical: he devoted



least among them Corfu and Alexandria) and people (not least among them Miller and Nin) who mastered in Durrell's life. The result is a satisfying documentation of an energetically unusual life, an encyclopedic resource for scholars and aficionados.

MacNiven provides material for making sense of the contradictions, distortions and prevarications which filled Durrell's own self-presentation, but he does not himself offer to interpret Durrell: he merely reports him. Bowker's interest, in con-

trast, lies in understanding Durrell, and he provides a sympathetic and often highly perceptive account in which the darker side of Durrell's imagination - his interest in sex, sadism, incest, the occult and astrology - are brought into informative connection with his work.

Biographers can aspire to understand their subjects better than they understand themselves, if only because they see the completed picture. Both MacNiven and Bowker succeed in this way: they show

us why, despite those sides of Durrell's character which are unsympathetic at least - his not infrequently disgusting treatment of his wives, his inexpungable schoolboyish egocentricity - he is nevertheless an intensely interesting figure.

In conformity with modern fashion, Durrell's death in late 1990 was shortly followed by charges that he had committed incest with his daughter Sappho, who had committed suicide a few years before, and who had left a journal of her unhappy

struggles with mental instability and broken relationships. The evidence is examined by both biographers, who conclude that Sappho Durrell's own description of the matter as "psychological incest" is probably most accurate. After the death of his wife Claude, Durrell leaned on Sappho; later he had affairs with women her age or younger. Sappho saw a cruel significance in the fact. The controversy merely reinforces the modern truth that allegations of sin are the wages of celebrity.

Peter Aspden

Backbone of evolution

Curious about our past is a uniquely human attribute. Much scientific effort and public interest has centred around our immediate primate ancestry. But there is also the deeper matter of our more ancient ancestry and early evolution from soft-bodied creatures into animals with backbones - how and when did they evolve?

These matters were brought into the public domain nearly a decade ago by Stephen Jay Gould. His reading of the fossil evidence for this early evolution, detailed in his 1988 book, *Wonderful Life: The Burgess Shale and the Nature of History*, suggests that chance played a fundamental role in our ancestors' long evolutionary trail through geological time. If his interpretation is correct, then human self-esteem has received a devastating blow. What evidence is there that evolutionary processes have been controlled as much by haphazard and unpredictable events as they have by genes? Is our appearance in the scheme of things largely a matter of good luck?

The Crucible of Creation: The Burgess Shale and the Rise of Animals is a timely and eloquent response by Simon Conway Morris, a Cambridge scientist, to Gould's interpretation. The crux of the matter lies in the subtitle of both books - *The Burgess Shale*, described by

Gould as "the most precious and important of all fossil localities". Conway Morris is one of the few people in the world who is even better qualified than Gould to tell us what on Earth was going on and why there is such a fuss about a layer of old grey slatey rocks from a remote mountain side in Canada.

Paradoxically, the recognition of the importance of Burgess Shale as a unique window on the past results as much from geological accident and luck as it does from professional skill. Some 530m years ago, an underwater mud avalanche, probably triggered by a minor earthquake, entombed a collection of sea-creatures. They had luck was, however, fortunate for science. The tumbled cadavers were so quickly buried and fossilised that they were not scavenged or given time to rot away.

That the Burgess Shale was the burial site of this geological accident was discovered, largely by chance, in 1903. American geologist Charles Doolittle Walcott spotted the fossils as he made his way along a high trail connecting Mount Field and Wapiti Mountain in British Columbia. Since then

thousands of specimens have been collected from the area. Dated at around 530m years old, they are amongst the oldest remains of many-sealed sea-creatures and include a wide variety of arthropod animals with carapaces, vaguely like those found in modern shrimps.

But most importantly, many of the fossils preserve traces of delicate structures such as limbs, and even

THE CRUCIBLE OF CREATION: THE BURGESS SHALE AND THE RISE OF ANIMALS
by Simon Conway Morris
OUP £18.99, 242 pages

entire soft-bodied creatures like worms, which are not normally preserved in rocks. The problem is, how to interpret these remains? Simon Conway Morris was part of a Cambridge based research team which investigated many of these fossils. From 1970 onwards, they painstakingly tried to make sense of the flattened and twisted fossils. Some could be fairly easily assigned to known groups of animals including sponges, polychaete worms and the extinct trilobites. But others seemed to be significantly different from all known living and extinct organisms, so they had to be assigned new categories.

Since many of these animals were not known to occur outside of the Burgess Shale, it seemed as if the whole episode had been an early evolutionary experiment that was terminated by an extinction event. Survival may have been as much a

matter of luck as being better adapted as normally happens in the evolutionary process.

Simon Conway Morris demonstrates that most of the animals of the Burgess Shale are not in fact a bunch of "one-off" failed experiments. They can be seen as inter-related and evolving animals that lived well beyond the confines of the Burgess Shale. Perhaps most important of all is a little eel-like creature called *Pikaia*. It is generally accepted as the earliest known chordate, *ie* animal with the developmental beginnings of a backbone and, according to Simon Conway Morris, "the first dim stirrings of neural activity that half a billion years later would emerge as fully fledged consciousness".

For Gould, the survival of *Pikaia* and the chordate lineage was tenuous and largely a matter of luck. If the evolutionary tape was rerun, Gould suggests that the evolutionary outcome - homo sapiens and our vertebrate relatives - would have been very different. For Conway Morris, *Pikaia* was probably just one of many, as yet unknown, chordates and that subsequent chordate evolution had nothing to do with luck the basic body plan and its biologically innovative properties were already so well established that they would persist, come what may.

In this thought-provoking intellectual tour-de-force, Conway Morris prefers to suppose that the window opened by the Burgess Shale shows that "we are alone and unique" and goes on to argue that these properties have given us "... special responsibilities to our descendants - to leave the world a little better than we found it."

Douglas C. Palmer

Oh no! Not another Abstract Expressionist

With so much ballyhoo surrounding the Nat Tate affair, it is impossible not to be wise after the event. William Boyd's brief biography of the Fictional Abstract Expressionist was, it seems, celebrated with a party typical of the art world of New York - a gathering of the rich, the famous and the art mart groupie, with attendance danced by every critic in the land. And every critic in the land was duped, for none of them lacks vanity, and not one could bring himself to admit ignorance of *Northlight*. Tate is reminded of the occasion when Esther Ramzon showed Sarah Kent, breathless but exultious critic of *Time Out*, an abstract painting by a female elephant.

New York has its share of knaves and fools among its critics, but it is wise men too, as sharp of eye as tongue, and I doubt if these were gullible. Had the book first been exposed in London, I have little doubt that the silly people who write art gossip in our broadsheets would have gushed enthusiasm, and perhaps Sister Wendy Beckett too, for she is art history's ecstatic innocent, but that Waldemar Januszczak could have been cozened by it is quite unthinkable, and Edward Lucie-Smith, who has every post-war painter, however little known, tucked away in his computer, could at once have exposed the fraud. As for me, I care so little for the empty nonsense that has passed for art in America since 1940, that the rediscovery of yet another abstract art is of precious little inter-

est, and had the publisher sent me a copy of Boyd's book to review, it would indeed have gone unread to Oxfam. Now compelled to read it, I know that I'd not have been deceived. The book is too highly-wrought, the author too determined to support Tate's life with an apparatus of verifiable facts, the geography scrupulous and the history even more so - few fraudsters, for example, would have taken such care

NAT TATE
by William Boyd
21 Publishing £9.99, 66 pages

as to remark on the absence of Tate's paintings from the second *Kassel Documenta* in 1959, at which there was indeed a small section devoted to the New York School, nor to characterise Tate's only tutor, Hans Hofmann, as being guru of the Summer School at Provincetown.

But such diligence is swiftly wearying to the reader, and perhaps to the writer too, for Boyd says much less than he might of Tate's encounters with Douglas Cooper, Picasso and Braque. Tate was by then, in 1959, just into his 30s, endowed with an all-American canny League handsomeness not yet spoilt by his appetite for whiskey, and the kind of boyish young man for whom Cooper lusted and would have carried off to bed a matter of course. Picasso, Cooper's close friend and present when Tate came to his chateau, always recorded these homosexual encounters in flagrantly obscene drawings that were invariably, in the case of the

Champ on the ropes

The lighting of the Olympic flame during the opening ceremony of the Atlanta Games in 1996 came to a disturbing, yet strangely dignified climax: the sight on a giant television screen of Muhammad Ali, trembling terribly from Parkinson's Disease, taking the torch and bringing light to the city's new stadium.

The message, a daringly bitter-sweet one, was that sport played at the highest level was capable of delivering awful blows to its practitioners - Ali's illness is related to the pummelling he received as a boxer but even with the knowledge of that dreadful fact, it was nonetheless worthy of glorification.

There could have been no more appropriate embodiment of the massive than Ali. But even while most of the world choked back the tears - it was one of the most moving moments I have ever experienced in a sporting arena - Ali's greatest rival Joe Frazier, recipient of a few lumps himself, provided the acerbic afternote, labelling his former antagonist a "draft dodger" and making jokes about Ali burning himself on the torch.

Ali spent his life pushing people to extremes. Today that might not be appreciated; he is remembered as a boxing genius, whose charm and natural comic gifts made him irresistible. But not everyone got the joke: in his early years, Ali's arrogance was not yet tempered by humour, and his refusal to fight in the Vietnam war divided middle America.

Victor Bockris's slim volume chronicles the softer, more mature version of the rapping heavyweight. Based on a series of conversations held in the early 1970s at Ali's training camp before his "Rumble in the Jungle" against George Foreman in Zaire, it makes an intriguing, but inferior, companion piece to Leon Gast's compelling documentary of that fight, *When We Were Kings*.

Where Gast wins over Bockris is in his ability to present all on camera as the complete animated, talking, singing, fighting package. Print simply does not do him justice. Ali's taunting couplets - "Only last week I murdered a rock, injured a stone, hospitalised a brick/ I'm so mean I make medicine sick" - are puerile robbed of their author's instinctive timing and innate dramatic ability.

Bockris, a writer on popular culture rather than a sports buff, set off all those

years ago in search of Ali the poet and the prophet; Ali had been looking for a "young, white, college-educated longhair" to spread the word, as a prelude to his ambition to become "the next black Billy Graham". For a while, the two men's needs coincided, and Bockris paints a vivid picture of what it was like to spend extended time with this man of notoriously short attention span.

As he observes, Ali was a bundle of contradictions: rich and radical, humble and boastful, spiritual and worldly. His ingenuousness, and that of his followers, appears quite real, however. Ali's trusted cornerman Bundini Brown is asked to sum up his employer's character: "Like a little boy. Find a little boy in a person, you find common sense. Find common sense, you find equal justice among people."

Such was Ali's self-belief, a quality possessed in abundance

MUHAMMAD ALI: IN FIGHTER'S HEAVEN
by Victor Bockris
Hutchinson £10, 127 pages

dance by any outstanding sporting champion, that he genuinely saw a link between his whining personality and the prospect for world harmony. In this respect, there was something about his Messianic pronouncements that demanded respect, however goofy they sounded at the time.

He would occasionally get angry - not a real anger, but a stylised, theatrical display of righteousness that could allied with his physical presence, frighten the coolest of his interlocutors.

Bockris's funniest description is that of the hapless visiting BBC director who asks Ali if he would ever fight in South Africa, only to be grabbed round the throat by his interviewee screaming: "No whitey! No white man's gonna treat me like a nigger no more!". After overcoming his initial fear, the director understands the game being played and, eager for dramatic footage, asks Ali for more.

After Ali's extraordinary victory over Foreman, the insatiable boxing public did much the same, but in the ring the stakes were higher. Clearly past his best, Ali took some fearful and damaging beatings at the end of his career, proving that he was not half as clever, and a lot more desperate, than he made out.

Peter Aspden

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young guest, recognisable; on Cooper's death these sheets, annotated in his neat hand, were all despatched to their various subjects - that is almost entirely to men who are now the celebrated (and even married) keepers and curators of major American museums. To Tate, who committed suicide the following year, no drawings could have been returned, and Boyd could have discovered them in the collection of Cooper's heir, pointing to homosexual misgivings as the reason for the suicide.

Boyd, alas, makes nothing of confrontations that offered as much opportunity for spirited imaginary conversations as any devised by Walter Savage Landor, and both Picasso and Cooper, a clown of genius much more than "the celebrated collector" described by Boyd, are discarded in only 13 lines. There is however, something disconcerting about the page on which the episode ends, a bewildering jog to memory with its photograph of Braque and an irrelevant still life reproduced on the facing page - a pairing that exactly reproduces in position and proportion two pages from the Royal Academy's catalogue of the old boy's 1987 exhibition. Can this coincidence be beyond suspicion? Have the publishers copied right, one wonders?

The most deplorable aspect of Boyd's jape is that it is a bore; by page 33 the reader has begun to struggle with his eyelids, but he has another 33 to turn. Boyd is far less entertaining than young William Beckford in his *Extraordinary Pictures of 1790*, mocking Walpole's *Anecdotes*, far less amusing than Aldous Huxley in his *Convolvulus* (though Convolvulus was real), parodying Berton, but then Boyd, we are reminded, together with such luminaries of the visual arts as David Bowie and Jeremy Isaacs, is on the editorial board of *Modern Painters*, a jargon-ridden journal recently struck with the Serotin Tendency, and so terminally tedious that its subscribers inevitably succumb to narcolepsy.

Brian Sewell

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Champ of the ropes

Power of the visual image

William Packer is drawn to the posters at the V&A

If there is to be High Art, then there must be the Low. The arts of graphic and commercial design, bent to the blacker arts of persuasion, propaganda and simple profit, have always stood in equivocal relation to Art. It is a fine line to draw. The real distinction is between the artist who serves himself, and he who serves another master and a particular message or purpose. Every artist knows the innate power and scope of the visual image, and some are quite happy to temper the purity of personal expression with a pinch of venality. Artists must eat, you know.

And the poster, art at its most public, simple and purposeful, is often the point at which those artists cross. From Lautrec to Hockney, many of the most memorable of all posters have come from artists of higher reputation. Images that still register, though purpose or product have long since vanished as completely as the cabarets of old Montmartre, along with La Goulee and Yvette Guilbert.

There is Sarah Bernhardt, "la Dame aux Camélias" of Alphonse Mucha, there is the "Don Quixote" of the Beggarstaff Brothers (William Nicholson and James Pryde), drawn with such powerful economy. Munning's first employment was in advertising Colman's Mustard. Graham Sutherland and the Nash brothers, Paul and John, were always "Sirs of Shell". Hockney's "Harlequin" still walks on his hands for the Metropolitan Opera in New York and across the walls of every student bed-sit. Here is art, unprecious, accessible.

How potent such things are in summoning up their age. Cassandra's "Étoile du Nord" still shoots towards infinity, the perfect art-deco evocation of the 1920s. The English Railway posters tell of sea-side holidays between the wars, when Europe was still abroad, and Skagen still "so bracing". My goodness, how John Gilroy's menagerie for Guiness conjures up England from the 1930s to the '50s. Fougasse's goings speak still of wartime - "Careless Talk Costs Lives. Your Country Needs You". Lord Kitchener and Uncle Sam still point their recruiting fingers at us across the years; and the anti-war pastiche, so close to that urgent Uncle Sam of 1917, could only be of 1971 and the campaign against the war in Vietnam.

Whatever the message, the true poster speaks of its age in visual, or at least non-verbal ways - "Hello Boys" for Wonderbra (1994); the Gary Cooper of *High Noon* for Polish Solidarity (1989); "Labour Still Isn't Working" (1979), "Daddy,



Potently summing up the age: a poster by László Moholy-Nagy and Fritz Rössing advertising a free exhibition in Berlin, 1929

what did YOU do in the Great War?" (1915).

The trouble is that too powerful or clever a message will so often prove oppressive. The image is best left to work for itself, helped along by simple, matter-of-fact placarding - "Rowntree's Elect Cocoa" (Beggarstaff); "Rajah coffee" (Henri Meunier); "Divan Japonais" (Lautrec). Conspicuous wit or irony is likely to lead to trouble. Those eyes behind the curtain at the last Brit-

ish election were brilliant in their way, but the idea back-fired. "I Never Read The Economist" I would have thought a trifle risky, though it works. But does everyone get the joke? As an exercise in promotion, it may be remembered, but hardly as a poster. The Benetton campaign will be remembered as a campaign, but its images, as images, forgotten.

The Power of the Poster now at

the V&A rehearses all these points as it takes us from the earliest visual posters, direct, charming and naive, through to today's post-modernist sophistication. Pleasure and leisure, protest and propaganda, commerce and communication: all are dealt with in the several sections, and we come away with some old friends re-visited, some surprises and a few good jokes. But there is a sadness too. All that effort, cleverness, profes-

sionalism: how much of it will last? In the age of the photographer, art director, and punch-lines tripping off the lap-top, where now is a Lautrec with his sketch-book, or the Beggarstaffs, the Nashes, Mucha, Brangwyn? What does that tell us of the age we live in? Hello Boys.

Victoria & Albert Museum, London SW7, until July 26. Sponsored by Maiden Outdoor, J.C. Decaux, The More Group, Mills & Allen.

Radio/Martin Hoyle The gentle art of reading

Thursday was World Book Day. According to one press release I received, Scotland scheduled events in bookshops in various towns, notably Glasgow, with many a mention of a local Edinburgh. The BBC, less fastidious than Auld Reekie, marked the day, to its credit, in many ways, though I could have done without Mike Mansfield QC breezily hymning Richmal Crompton's *Judy William* at seven in the morning. Slightly patronising liberal barristers are to our times what heartily populist vicars were to previous generations. It was strange to hear the canonised version of the grubby incorrigible 11-year-old that Mansfield came up with: "taking on the whole community" but with "a heart of gold", evidently a synthesis of the virtues that make a liberal QC.

I intend no offence to Stephen Critchlow by not knowing his name very well; but his reading of William Boyd's *Armadillo* in the *Late Book* slot was just right: relaxed, unaffected, gripping the attention without histrionics; all much harder to bring off than you might think. There is evidently no rule about reading aloud; you either have it or you don't. Fame is no guarantee, but there are a happy few you can rely on: Shirlie Jarvis, Woolf (remembered for his titanic George Eliot readings), Anna Massey (who passed the acid test of humour with flying colours some years ago in E.M. Delafield's *Diary of a Provincial Lady*). This is one of the greatest advantages radio has over television and should be treated with awe.

The Bookclub - the First Chapter introduced a new Radio 4 series and, as presented by James Naughtie, made the forming of a neighbourhood book club sound infinitely more boring than an amateur production of *The Mikado* in the village hall. In fairness to the new Radio 4, a thread of solemn talk is emerging. Sport is no longer dealt with on Saturday morning by a knowledgeable ex-player who actually talks to the muddled and the flummoxed, but is now found on a late-ish night talk prog with notable non-professionals, chaired by Martin Bawler. This appears to be another case of Radio 4 getting television's rejects. His finest hour, in the eyes of many, was spoonfeeding the late Princess of Wales with carefully prepared questions in the notorious *Panorama* that so degraded the art of the interview. His colorlessness in *Late Tickle* shows that a vaunted friendship with Will Carling is no substitute for talent. The surprise of the first programme was Barry Norman. His liveliness, perceptiveness and sceptical good sense were a world away from his autopilot performance on *Film 88* and cut through the shallow dilettantism that passes for the intellectual on so much radio these days.

There is one subject which television has long treated as virtually taboo. Broadcasters are happy enough making frank and detailed programmes about sex, money or religion - indeed, it sometimes seems difficult to avoid them. On Sunday nights Sky 1 is currently showing a quartet of programmes called *Hollywood Sex* which could not be more explicit without becoming pornographic. The opening programme included an account of a commercial version of the plaster casters, those pop groupies who, in the 1980s, liked to take mouldings of the manhood of their favourite rock stars. *Hollywood Sex* showed that this service is now available for any woman who fancies a rubber copy of her partner's wedding tackle.

It seems that in 1998 television feels no need to be shy about filming a session

Television/Christopher Dunkley Subjects no longer taboo

where a chap lies face down on a table with a hole in the middle, while his lover underneath the table brings him to a peak of readiness; and then has his private parts rummaged into a bucket of quick-setting goo. Would madam like the result enhanced? And would the programme makers care to follow that with a 30-minute discussion on racism? Don't be absurd, would that be embarrassing would have been the attitude for the past 30 years or so. Now, on the occasion of the 30th anniversary of the late Enoch Powell's "Rivers Of Blood" speech, Channel 4 has summoned up the courage to attack the subject head on.

Earlier this week it did what television habitually does when faced with a moral conundrum and treated the matter as the subject of a court case. In

the *Trial Of Enoch Powell* he had Andrew Neil and Darcus Howe appearing for the prosecution, Martin Meurs and Nicholas Budgen for the defence, a mixed collection of "witnesses" ranging from a former police chief to the television critic of the *Star*, and various "evidence" on videotape, including a fond and generous tribute to Powell from Tony Benn. All the men were fascinated by the British constitution and parliamentary procedure, but it still came as a surprise to hear a tribute from this particular source.

However, although the content was watchable enough, the framework of the programme was rickety. At the end, 54 per cent of the 250-strong audience, or, jury, voted that Powell was "not guilty" of being a racist. But since they had not voted at the beginning we could not tell whether minds had been changed, and since we were not told how they had been selected, this was an empty gesture.

Some witnesses were

such a formula. Two of London's orchestras are well out in front at the moment: the London Symphony Orchestra and the Philharmonia. On the rollercoaster of the capital's musical life the orchestras have always had their ups-and-downs, and the interesting thing is the different agendas by which these two are succeeding.

The London Symphony Orchestra has put all its effort into themed festivals. Over the last couple of years there has been some criticism that the idea is getting stale, but the current "Inventing America", which brings in all the Barbican Centre's resources, is

ment these are already quirky pieces and while the arrangements for orchestra plunge into a still more riotous Ivesian sound-world, they do not give the singer much of a chance.

Thomas Hampson did what he could, when he could be heard. More successful by far was Bernstein's Symphony No 2, "The Age of Anxiety", which Tilson Thomas and his jazz-friendly piano soloist, Jean-Yves Thibaudet, gave a splendidly concentrated performance.

There is temptation here for sentiment to allow the symphony to go slack, but the performers kept the pace taut, the focus sharp, and Bernstein's music sounded all the better for it.

On Tuesday, it was Mahler's Fifth Symphony which was paired with the first European performance of *Der Rieseneiter Alberich*, a fantasy for percussion and orchestra, by Christopher Rouse. For the new work Tilson Thomas handed over the baton to Marin Alsop, a young New Yorker, and you can hardly blame him. I would not want to be caught conducting this one either.

Rouse has tried with this score what Lloyd Webber has done for the musical: think of a good idea and hope that nobody notices there is not much music there. Rouse's idea is to borrow Alberich's themes from Wagner's *Ring* and give the soloist a personality. Unfortunately, all the noisy banging on the drums cannot hide the fact that the solo

London music/Richard Fairman Tuned for the top

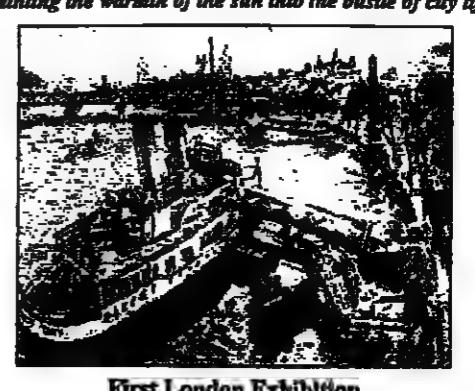
part makes no contact with the music's Wagnerian background. Without Evelyn Glennie to play it, it is difficult to see anybody wanting to take the work up.

Meanwhile, the Philharmonia is fighting to the top the expensive way: by hiring a succession of leading conductors. Currently in London for a short Berlin/Tchaikovsky series is

Mikhail Pletnev, just one of a star-studded line-up in the Philharmonia's spring season. The plan to pair two such colourful and intense composers for Pletnev was a good one that sadly did not work out at the opening concert. Tchaikovsky's *Violin Concerto*, a flaccid piece, sounded even more inconsequential than usual; and Pletnev's account of the same composer's *Violin Concerto*, with Victor Tretyakov as soloist, was introverted, gloomy, obsessed with detail. A lacklustre performance of Berlin's *Symphonie fantastique* suggested an overall lack of engagement. Pletnev is still an ace pianist, but as conductor his report has to read, "Should do better".

The LSO's concert on April 21 was sponsored by Sema Group.

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ARTS

Impressionists on the move

Christie's has re-drawn the date-line for categorising modern masters, reports Antony Thorncroft

Christie's changed art history in its London saleroom on Wednesday. It held its first auction of contemporary art in which 'contemporary' meant just that - or almost.

Previous sales of contemporary art might have included works by Jackson Pollock, Andy Warhol and Yves Klein. In future contemporary art - as far as Christie's is concerned - starts around 1970.

The first sale more than justified Christie's move. One of Damien Hirst's medicine cabinets sold for £188,500, and one of his spin paintings fetched £71,500. A Rachel Whiteread plaster cast of a mattress made £76,300, while a Felix Gonzalez-Torres candy spill, a carpet of sweets which can be eaten by the public, made £106,000. The auction brought in £2.82m, but there was some caution: of 117 lots, 30 were unsold.

But the most profound effect of the re-drawing of the date lines affects the more sought-after, and expensive, modern masters. Christie's has decided that, with the millennium approaching, 1900 is officially a long time ago.

Including works by Boudin, Corot and other 19th century artists in sales of Impressionist and Modern works was becoming incongruous, it believes. In future its 19th century auctions will be just that: paintings by artists of the time, be they Bouguereau or Puvis de Chavannes, Van Gogh or Monet. It is as if the Impressionists had never been shunned by the Paris Salon.

The artists of the 20th century get their own catalogue, with Picasso now rubbing shoulders with Lichtenstein, and Braque with Hockney. The only major artist that Christie's has found impossible to categorise is Bonnard - he has works in both main auctions.

The catalogues have been transformed to reflect the changes. Wednesday's contemporary catalogue was a

loose-leaf affair, with hard-sell articles pointing out just how cutting-edge and relevant the artists are. The aim was to persuade collectors, petrified by the superficiality of most conceptual art, to take it seriously. Contemporary art dealers may not like the competition from the auction houses, but the weakness of contemporary art is that it is not very popular. If Christie's can make it commercially respectable it will have profitably proved its point.

The new Impressionist and 19th century art catalogue for the New York auction on May 5 is, in contrast, decorative and traditional, but offering much more information.

Sotheby's believes that collectors like the stability of the old system. Only time will tell which is right

than in the past. The catalogue for the sale of 20th century art, a week later, reflects the modern age, with blow-ups of the lots and a trendy typeface.

Christie's can risk this because in the past few years it has overtaken Sotheby's as the leading seller of post-1970 art. Last year it took a lead by disposing of the Loeb and Ganz collections. However, this time the auctions are less impressive - no very rich American collectors have died recently.

But the market is strong, and probably getting stronger, and Christie's is changing the rules at a propitious time. There may be no £20m-plus paintings on offer next month, but Christie's has paintings by Manet, Renoir, Van Gogh and Degas estimated at £10m and upwards, while Sotheby's is offering a Mount view of Venice which could make £10m, and works



'Model at Rest', 1910, by Pierre Bonnard, the only important artist whose work Christie's has found impossible to categorise

Still, and Schumann's Second Symphony. No other American orchestra plays with such a European ripeness - though no doubt that is as much down to Järvi's influence as the acoustic.

Yet for four decades the DSO was absent from the home that plays such an important part in determining its musical character. They left it in 1956, partly for financial reasons. Orchestra Hall became a renowned jazz venue, Paradise Hall, then a church, and for a time, nothing at all. Only the intervention of a group led by the orchestra's co-principal bassoonist and unofficial historian Paul Ganson, rescued it from demolition in 1970 and set in motion its restoration. In 1989, the orchestra finally moved back.

The DSO is now in the process of realising some ambitious plans to make its future more secure, and to increase the DSO's profile and relevance to a wider constituency within the city it serves. The plans involve building on the land, now christened Orchestra Place, around the hall. A new structure has been leased long term to a medical organisation, ensuring an annual income.

Another building, housing a publicly-funded school of performing arts, will soon be taking shape, together with a new, small auditorium, proper backstage and office facilities, and a music school. Restaurants and the like are also envisaged, and there is already a new, secure car park.

The object is to make the whole area bustle with a creative excitement that extends beyond the concert hall itself, yet one cannot help feeling that what is really needed to bring the place alive is more people willing to conquer their fears and live in their own city. Perhaps Järvi could have a word with one of the orchestra's rich friends about residential property development sometime.

The DSO's tour begins in Manchester on April 29 and continues to Birmingham, Brighton, London, Spain, Germany, Luxembourg, Austria, Czech Republic, Hungary and Estonia until May 20.

A band building for the future

Stephen Pettitt talks to Neeme Järvi, music director of the Detroit Symphony Orchestra



Neeme Järvi playing a key role in the regeneration of Detroit

But all that is about to change, when Järvi arrives in Britain with the orchestra on April 29 for a three-week European tour, thanks to the president of the multi-national glass company, Guardian Industries, William Davidson.

In a country where every orchestra relies heavily on the patronage of the corporately or otherwise rich, it is part of Järvi's job as the city's musical figurehead to be extremely well connected, and the deal with his high-powered friend was made at a local ice-hockey match.

There was a small price to pay for this sim act of philanthropy - that the tour should include the cities where Guardian's various European operations are based. But Järvi negotiated his own conditions as well: a couple of nights in Tallinn, in his native Estonia.

The final result is an arduous schedule of 17 concerts in 25 days with an equally demanding programme: two Schumann symphonies; William Grant Still's 'Afro-American' Symphony; Samuel Barber's Violin Concerto (with Pamela Frank); some Copland and Ellington to play the patriotic card; Prokofiev's Third Piano Concerto (with the wonderful Leif Ove Andsnes as soloist) and Shostakovich's Tenth Symphony.

The affable and effervescent Järvi will have been at the helm in Detroit for eight years this autumn. He is happy there, owns a house in the area, and is deeply liked. But Detroit is not a glamorous city. There were race riots in the sixties, and a period of industrial decline. Now it is characterised by vast wastelands, crumbling properties. But there is a feeling

abroad that it has seen its worst times. Though racial tensions and economic disparities persist, under its popular black mayor, Dennis Fisher. Detroit has embarked on a process of self-renewal, of which the arts in general, and the orchestra in particular, are important elements.

An Arts Quarter includes the Opera Theatre - recently converted from a cinema, the ridiculous Fox Theatre, largest, most kitsch cinema auditorium in the world - and at its northern extreme the DSO's home, Orchestra Hall, built within five months at the behest of the orchestra's first full-time conductor, Ossip Gabrilowitsch, in 1919.

This lovely auditorium is blessed with a warm and even acoustic and deserves its reputation as one of the finest halls for sound anywhere, as I can testify from hearing the DSO playing some of their touring repertoire - the Prokofiev, the

Theatre in Britain Classics from the page

There Are Crimes and Crimes is Strindberg for people who do not like Strindberg. Written in 1889, the year before *The Dance of Death* and *Easter*, it looks in many respects like a rehearsal for those two masterpieces: at its centre is a relationship every bit as clinging as vicious as the marriage in *The Dance of Death*, but in its preoccupation with penitence and redemption it prefigures the main themes of *Easter*. But, at any rate in Linda Marlowe's staging at Leicester Haymarket, it emerges a less emotionally concentrated, more digestible piece than either.

It is set in Paris, signalled by the Monet-like wash of colour on Nick Ormerod's set and by an opening tableau of all the characters dancing a rather edgy can-can. Maurice (Timothy Walker) is an impoverished literary man who has a good but humble mistress and an adored daughter for whose sake he will not leave her mother. On the day his new play is to open at a major theatre, he meets and is immediately attracted to Henriette, lover of his friend Adolphe (Ben Walden), a lovely portrait of goodness fuelled by self-loathing.

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Perhaps it is because of Graham Rawson's transla-

tion which on first hearing lacks the extravagance we associate with Strindberg. It is certainly not helped by the casting of Sara Stewart as Henriette; she has none of the sexual or intellectual menace the character needs.

But there is also lack of conviction in the play that seems to be all Strindberg's own work. The case against the lovers is constructed from an absurd collection of overheard remarks and misleading circumstances; that it does not collapse is an indication, perhaps, that the melodramatic emotions they express are no more than poses - they are being punished for insincerity as much as infidelity.

But this sense of bogusness is part of the play's charm: where the passions of other Strindbergs leave you wiping your brow, these ersatz feelings leave you stroking your chin. That is not necessarily a bad thing.

Robert Hanks

Several years ago Geoffrey Beavers adapted and directed a stage version of George Eliot's *Adam Bede* at the Orange Tree, Richmond; he now revisits Eliot with a version of *Silas Marner*, her tale of wronged weavers, foundling girls and the irresponsible squires.

It is a production clearly conceived from the first, with the Orange Tree's intimate round space and its audience constituency in mind; it maximises its potential appeal by surfacing on the seemingly inexhaustible wave of appeal of classic literature-as-costume-drama, and also creates an illusion of adventurousness in staging by its use of various non-naturalistic tricks. I was alternately charmed and irritated by this arsenal of devices, apparently simply as the fancy took me.

Beavers has his actors - a company of seven recreating entire communities in Eliot's novel - whisper key words chorally, since these are

usually words such as "despair" and "blasphemy", such sequences may seem unintentionally parodic.

Similarly, the unison hum-

ming and clapping to imitate

the sound of Silas's loom is a

more too reminiscent of dra-

ma-school "theatre

machines".

For a couple of brief equestrian scenes, actors bite on riding crops whilst their "riders" stand behind them on benches. The "snow-covered lanes" are dutifully summoned up with a couple of white drapes which moments earlier had been doing service as evening gowns, and the city folk - literally faceless - are put into gratuitous masks.

However, Beavers and his company tackle well the problem of retaining Eliot's omniscient, almost essayistic narrator's voice by assigning individual lines to players in turn (what might be called the "Nicholas Nickleby" strategy) after David Edgar's Dickens adaptation) and, particularly in the second half, the use of doll-puppets becomes quite beguiling. For the childhood of Marner's adopted daughter, Eppie, actress Leah Fletcher does not attempt to "be" a three-year-old, but manipulates and gives voice to the innocently smiling rag-doll figure who stands for the girl herself.

Patrick Drury's passing resemblance to campaigning journalist Paul Foot is rather disconcerting, but he humbles and abrades nicely through 30 years of Silas's life; Brian Hickey as Godfrey Cass seems always to be the victim of circumstance, yet his responses are almost invariably selfish and wrong. Lorna Marshall's simple set offers the necessary maximum flexibility for retreating by turns the weaver's cottage, the big house and the village tavern.

Ultimately, the salient question is simply: does the production, over its two hours and 40 minutes, faithfully capture the cumulative effect of the novel's chains of incident and commentary? The answer is that it does.

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Anthony Minghella
Romeo and Juliet. He exp

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How to Spend It



Paul Smith already mixes antique pieces with the clothes and accessories from his contemporary men's, women's and children's collections at his existing stores in London, New York, Tokyo and Paris, but Westbourne House will carry a far larger vintage selection than any of his other shops. Clockwise from left: a 1950s Wiliard Oyster marbled Lucite bag from a range starting at £195; Paul Smith; a 1950s Wiliard Lucite bag with gold foil hand-coloured sailing boat motif £325; a 1950s Paul Smith Target watch with leather strap £225; pair of American Modern ceramic jugs designed by Russell Wright in 1937 from a set of 12 at £285 each; and an early 1950s Jacques Griffe couture black and white silk tulle evening gown £2,850.

Give
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books
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Corner shop for the style godfather

When Paul Smith was a student in the early 1970s, he and his wife, Pauline, travelled to Paris each Couture Week hoping to sneak into the less sought-after shows which, in those days, were held at the end of the week.

"The couturiers showed their collections in the couture houses, the old *hotels particuliers* in residential areas, like Yves Saint Laurent's on rue Spontini," recalls Smith. "I loved the atmosphere, and always felt it would be wonderful to do something similar by selling my collection from a house."

Smith finally found his house-cum-shop two years ago in L'Artiste Assouffle, a rundown restaurant on Kensington Park Road in Notting Hill, west London, then distinguished for being the shabbiest house on the street. It reopens next month as Westbourne House, which will sell the Paul Smith collections for men, women and children, as well as antique handbags and couture

Alice Rawsthorn visits Paul Smith's quirky riposte to the bland and boring designer store

dresses, first-edition architecture and photography books and bespoke tailoring for both sexes.

Working on Westbourne House

has been a labour of love for Smith. "We weren't in any hurry, and everything had to be done properly," he says. "We probably could have done it for half the money, but I wanted it to be really special. And, luckily, I've reached a point in my career that happens to sell the things he likes best."

After years in which he sometimes seemed to be Britain's only commercially successful fashion designer, Smith has now slipped comfortably into a benign godfatherly role in the frenzied London fashion scene. His company has annual sales of £36m, a solid network of international licensees and shops in London, Paris, New York and Tokyo.

Smith himself is a member of

both the Design Council and Tony Blair's Creative Industries Taskforce where, according to officials, he and Alan McGee, gregarious chairman of Creation

Records, generally make the most constructive comments. Yet the key to his success is that, years after setting up in business, Smith is still as enthusiastic about his work as he was as a student scribbling together his first fare for Paris.

Westbourne House smacks of that enthusiasm. It will sell the same mix of clothes and cute objects as other fitted fashion stores, such as Colette in Paris and Okura in Tokyo's newly chic Daikanyama district, but the engagingly eccentric building and the blend of old and new products are stamped with Smith's personality. He sees it as "an old-fashioned corner shop" that happens to sell the things he likes best.

When he bought the old restaur-

ant two years ago, the building was "in a really terrible state". He drafted in Sophie Hicks, the architect who designed his Sloane Avenue store and the *Sex* shop at the Royal Academy. Together, they have

restored Westbourne House's exterior to its original 1888 design, and renovated the interior by creating six rooms, each of which houses a different part

though it belongs to an ordinary house, but all the furniture has been specially made, to Sophie Hicks' specifications, to fulfil the function of a shop.

Hanging on the back wall are a dozen antique picture frames with handbags inside. The Kensington Room mixes Paul Smith women's wear with antique couture pieces, starting with a collection of black and white dresses. "People will walk in and see a mad ballgown surrounded by modern clothes," says Smith.

Accessories are in the dining room, which is dominated by a giant wooden table with a glazed top where cufflinks, watches, jewellery and other knick-knacks are displayed.

Tom Dixon, the furniture

designer and an old friend of

Helen Dooley, before being

greeted by the equivalent of a

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How to Spend It

Give your favourite books a new lease of life

Beautiful bindings make wonderful presents, for yourself or for others, says Holly Finn

A lot depends on the bedside table, at least what's on top of it. It's not just a resting place for nail files and travel clocks, it's our trusty bookcase. Next to the latest bestseller, you may well have an old favourite lying there. You could quote whole paragraphs and you would swear on it rather than the Bible, but recently you have taken to using it as a coaster.

Except for those titles carefully strewn about by the man who never gets past chapter three but wants to appear literate, the ones we keep close are not just accessories. Our nearby books say something basic about us, unwittingly. For this, they should be preserved.

So wipe away the coffee cup ring and take a book in to be rebound. For yourself or for another, there are few better presents.

The English Patient knew it. When he reached for Herodotus in the movie he was taking in hand the work of the Wyvern Bindery, the London shop that bound his copy. Whether or not you are a charred count, the Wyvern will do the same for you.

Most binderies offer a choice of hard-wearing cloth, traditional grainy goatskin or smooth calf, in almost any colour. If you want leather, you then have to decide how much: quarter, half and full leather bindings differ in appearance (quarter and half are cloth, accented with leather) and in price.

At the Wyvern, full cloth starts at £20, quarter leather at £28, half-bound at £310 and full leather at £200. The size of the book can affect the price, as can the degree of gold tooling (embossing), the choice of hand-marbled or fabric end papers and any special requests. Most work is finished within two to three weeks.

Shepherds Bookbinders is also in London and is run by Rob Shepherd, who has been in the business for over 20 years. His prices for full leather binding - mostly goatskin from Nigeria and India, tanned in England - start at £250. Shepherd doesn't just practise bookbinding, he teaches it. For those who fancy themselves dexterous, he has published a book for beginners called Handmade Books (£2.95, distributed by Search Press in the UK, Arthur Schwartz in the US) and, this autumn he will also offer on-site master classes (£30-£75 a day).

If you are less handy, and 8,000 miles away, the Arion Press in San Francisco will

happily do your binding. Best known for its limited edition printing, Arion focuses on "what is appropriate for the book", says owner Andrew Hoyem. Recently, a philosophy professor turned private detective came in with a rare collection of Kierkegaard, including loose pamphlets. Arion bound the bunch in cloth and leather, and made special storage boxes (leather with a hinged lid costs \$100-\$200) for the volumes.

Asprey, in both London and New York, also does it right. Like others, it offers boxes (called Solander boxes after a 19th century British museum curator; quarter leather starts at £450 plus VAT), slip cases (with silk pull ribbons so book spines aren't stressed by eager readers) and rebinding

The inside covers can be lined with marbled paper, velvet, suede, silk or satin

(fine full leather with 22 carat gold tooling from £750 plus VAT). Edges can be gilt on top or all the way round.

Unlike others, Asprey will encrust your book covers, front and back, with semi-precious or precious stones (bring your own or buy at Asprey). Such jewelled bindings were popular with collectors between 1800 and 1900. Today, round or made,

the point is not to turn your pages into touchables.

Just the opposite. Lushly rebound, that old bedside

favorite is enticing again.

With or without power tools, the pleasure you get from a book is likely to be heightened by rebinding. The point is not to turn your pages into touchables. Just the opposite. Lushly rebound, that old bedside

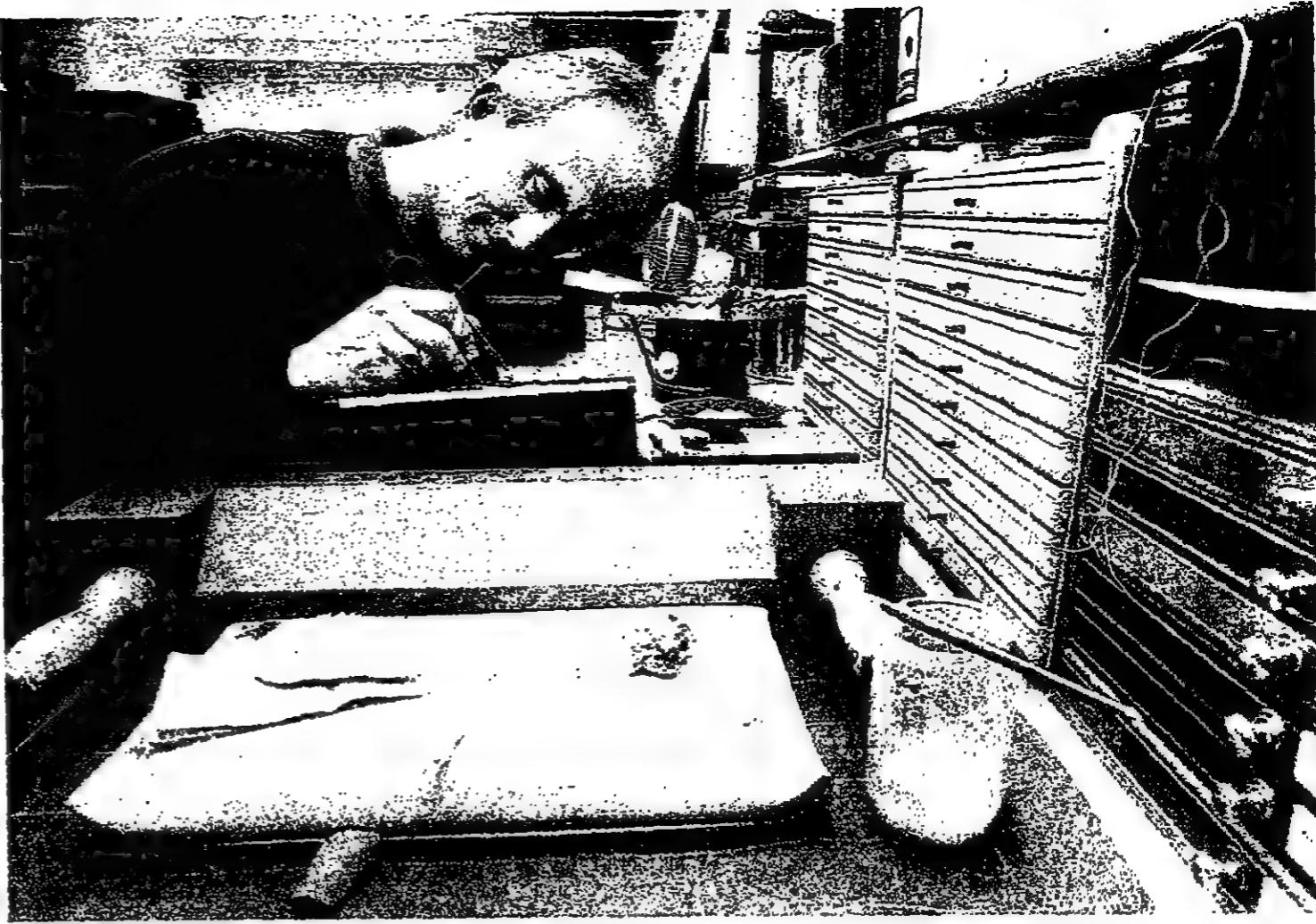
favorite is enticing again. Whether reviving Samuel Johnson, finishing a guest book for the White House or creating a new cover for your cherished Proust, Salinger, Angela Carter or *The Joy of Cooking*, Distinctive Bookbinding lavishes great care.

All the tooling is done by hand in 22 carat gold (don't mourn the missing carat - it's the slight impurity that enables the gold to bond to the paper or leather). It offers traditional goatskin, as well as glazed buffalo calf, wild boar, even ostrich. And because it orders so many skins, it can charge the same for full leather as for quarter: rebindings average £160-£350, boxes £250.

For a recent customer who brought in not a favorite book but Matisse prints in need of a container, Distinctive Bookbinding created an oversized book-shaped case, adapting the border pattern of a Matisse rug and embossing it on the raspberry-coloured cowhide cover. The inner dentelles were inspired by another of the artist's designs. This work of art, which might soon be worth much more, cost £3,000.

Bookbinders talk at nothing, except perhaps a paperback with pages so flimsy they will turn yellow in two years' time, mocking your money and the binder's time. Most binders will create custom boxes and slip cases and will bind not just books but old magazines and journals, your script or thesis, a wedding album, even a blank book.

One Royal College of Art Student asked the Wyvern to make an unopenable book, one with two spines. For his diploma he then filled himself hacking it in half with a chain saw from head to tail, creating two rather narrow volumes.



A craftsman working on the spine of a book at Shepherds Bookbinders in London. Owner Rob Shepherd is to offer master classes next autumn

Brendan Cor

New York NY 10021; tel: 212 581 6830
 Asprey, 725 Fifth Avenue, New York NY 10022; tel: 212 688 1811
 and 165-169 New Bond Street, London W1Y 0AR.
 Imperial Fine Books, 790 Madison Avenue, 2nd Floor, New York NY 10021; tel: 212 581 6830
 Distinctive Bookbinding - Pineider, 53 East 58th Street, New York NY 10022; tel: 212 581 6830
 and 1150 Connecticut Avenue NW, Washington DC 20036; tel: 202 666 4856
 and (just about to open) 1005 North Rush Street Chicago, IL 60611; tel: 312 567 7474
 The Wyvern Bindery, 56-58 Clerkenwell Road, London EC1M 5PX; tel: 171 490 7399
 Shepherds Bookbinders, 76

WEEKEND FT How to Spend It



moon gazing, roof raising, space saving

From shanty to sanctuary: the rebirth of the Chinese courtyard. Around the world for £40 a day: the anti-cruise set on why it's great with freight. In the next how to spend it magazine, free with the Weekend FT on Saturday May 2.



A clipping press in use at Shepherds Bookbinders, London

FOOD AND DRINK

The root of the matter in the Napa

Giles Macdonogh tours the vineyards of California

Jayson Pahlmeyer used to build warehouses. That is where he got the idea for his patio window, one of the more remarkable features of his magnificent house 1,200ft above the Napa Valley. At the flick of a switch, the glass rotates into the dramatic, cantilevered roof, opening his two-floor living room on to the flagstones of the terrace and the pool. A few turkey vultures patrol the scrubland below the garden wall. Beyond that is a sea of vines and the waters of San Francisco Bay.

Wine producer Pahlmeyer is a big man in a loud jacket. He achieved fame in true Californian style. A few years ago, a Hollywood film producer rang him up and asked for a couple of cases of his 1991 Chardonnay. He was used to begging calls of this sort, and declined.

The caller, however, was in earnest: the wine had been written into the script of *Disclosure*. Michael Douglas and Demi Moore were due to crack open a bottle of the stuff and pow! instant sex. Pahlmeyer agreed to part with some wine of the 1992 – together with some left-over labels.

The film was a box office success, and so was Pahlmeyer. His letter box is still periodically crammed with letters from film fans, Michael Douglas fans, Demi Moore fans they all want to lay their hands on that Chardonnay.

I was luckier than all of them, stars included: I got to taste one of the last remaining bottles. It was big, oily and alcoholic. Pahlmeyer was unabashed. Chardonnay, he said, is a sipping wine for cocktail parties, a

bit like a dry martini. The film producers had been inspired by another big man: the wine-guru Robert Parker. He was the first to award Pahlmeyer one of those ludicrously inflated scores allegedly based on high-school ratings. As no one fails, and low marks are understood to upset the growing child, you have to be a dunderhead to get under 80 per cent. Anyone who is anyone gets 90 and above.

Pahlmeyer made just 400 cases of that Chardonnay. This modest tally is not unusual. Napa producers come in from just about everywhere: entrepreneurs, lawyers, property developers, Hollywood dentists, dermatologists, even a film director or two. They are attracted by the idea of having a little wine of their own. These new vineyard owners are also following an old tradition: wine has always been ennobled in its way – it washes clean the new man.

Once you have your vines you will need a winemaker with a pedigree. At the moment, the smartest is Helen Turley. Surprise, surprise! She also makes Pahlmeyer's wines: the "industrial strength" Chardonnay, as he puts it, the delicious, oily Merlot, and a slightly less inspiring Cabernet Sauvignon.

Pahlmeyer's wines are wrought in an unashamed, American style which owes little to Bordelais or Burgundian models. There are others equally successful in this genre, such as the Bart Araujo's Eisele Vineyard Cabernet Sauvignon with its rich, soft tannins, or Spottswoode, an opulent Cabernet Noir in the Valley. Ehren

tastes quite unlike anything from the Médoc.

Some Napa and Sonoma producers, however, make their wines in a leaner, more muted or "elegant" style which is possibly closer to the prototype: Kistler for Chardonnay and to some extent Pinot Noir; Joseph Phelps for Viognier and Rhône-style blends; and Caymus, Laurel Glen, Foreman or Cain 5, for Bordeaux-style blends. In the last case it is clearly no accident: Chris Howell, who makes the wine, studied in both Montpellier and Bordeaux, before working at Château Mouton Rothschild.

There is no shortage of such expertise. Ted Lemon of Littorai not only trained in Dijon, he made the wines for Guy Roulet in Meursault. His are some of the most restrained and elegant Pinot Noirs in the Valley. Ehren

'Togni's 1991 Cabernet is possibly the best Californian wine'

Napa and Sonoma Valley after the disaster of Prohibition. Peter Newton came to California with the *Financial Times* in 1982. He abandoned journalism and later created Sterling Vineyards, which has eventually sold.

Newton Vineyards was his

Jordan, who makes huge, dense Zinfandels at Turley (Helen's brother's place), spent two years learning the ropes in the Rhône.

Britain played an important role in rebuilding the

next incarnation. There the vines have forsaken the valley floor for the steep hillsides, blending in with the oriental gardens which are his other passion. His Le Puisse Cabernet blend and Merlot are some of the best wines the Napa has to offer.

Another Englishman who arrived in the 1960s is Philip Togni. After London University, he took the unusual step of going to Montpellier and later became one of the first to take the oenology course in Bordeaux. After hiring himself to the best vineyard owners in the valley, he now farms a minuscule vineyard above Saint Helena. His 1981 Cabernet is probably the best Californian wine I have drunk.

The latest Englishman to put down roots, this time in the Sonoma Valley, has been the industrialist Sir Peter Michael, who has just

opened a new restaurant in the UK, The Vineyard at Stockcross, in Berkshire, with a fine list of Californian wines. Helen Turley made his wines for him at first, now Mark Aubert is responsible for the production of three super-elegant Chardonnays, an unfermented Sauvignon Blanc, and a Cabernet

blend: Le Pavots.

A few years back, phylloxera hit the Napa and Sonoma Valleys, and the vines will get younger before they get older again. In most places replanting has already taken place, but it is often hard to justify and evaluate a wine made from four-year-old vines. If you want old vines in the region, you have to put Cabernet and Chardonnay out of your mind: the founding fathers, Italians, Germans, Hungarians and others who staked out the terraces a century

ago, planted what went down well at the time: Carignan, Cinsault, Petite Syrah, Alicante Bouchet and Zinfandel.

Small plots of those ancient vineyards have sur-

vived. The most interesting grapes are the Zinfandel. Some would maintain that Zinfandel is still what California is all about. I confess to a weakness for it myself, especially in the hands of masters such as Doug Nalle, Gary Farrell or Ray Coursen

of Elyse. But if you are not careful, Zinfandel can turn out to be no more than a great, alcoholic, tannic bruiser.

Without any respectable European models to follow, Zinfandel suffers from no inferiority complexes. No Zinfandel grower presents you with the latest article chronicling its success in tastings held in Ghent or Göttingen when nine out of 10 members of the jury took it for Château Margaux. Zinfandel is as Californian as Hollywood and Pahlmeyer.

■ *Sir Peter Michael's restaurant, The Vineyard at Stockcross (tel: 01635 528770) opened at the end of last month. The Californian list contains some of the best of Napa and Sonoma wines, many new to Britain. Look out for Peter Michael's 1994 Les Pavots and Cuvée Indigène.*



The Napa Valley: wine producers include property developers, Hollywood dentists, dermatologists and even a film director or two

Robert Harding Picture Library

Why California has something to say

Giles MacDonogh visits some of the restaurants of America's most prestigious wine appellation

The Napa Valley in northern California is America's most prestigious wine appellation, but in many ways it is most unlike its nearest European equivalents, the Medoc or the Côte d'Or – closed worlds which are almost impossible to penetrate for someone outside the immediate wine world.

Napa has geared itself up as an attraction almost as well-frequented as Disneyland. If the valley wears a

smile unimaginable in Bordeaux, it is often one of the shallow sort associated with other tourist traps.

That shallowness also extends to the majority of the valley's restaurants. Aware that they can fill to capacity on most days, especially at lunchtime, there is little incentive to give the tourists who come up from San Francisco much more than they need.

For the most part the Napa style in food is a few fashionable "Mediterranean" flourishes slopped out with the insouciance which has been a feature of California at least since "flower-power", if not long before. Sometimes it works well enough. A plate of pasta at Tra Vigne in Saint Helena (+1 707-963 4444), for example, can be excitingly inventive.

From the early days of Chez Panisse in Berkeley, however, California has had something to say to the restaurants of the wider world. It is not just the more theat-

rical way of preparing food, main-course salads, or the reliance on grilling meat, fish or fresh vegetables; it is also the anti-syntactical menus which have now become a feature of modern Britain, too. After a few days in Napa, it is clear that these must also owe their origin to Californian prototypes.

These are characterised by the virtual elimination of commas and the accumulation of descriptive adjectives to a positively Germanic superfluity, coupled with a few loosely attached nouns designating fashionable accessories. An example might run something like this: oven-roasted sake marinated chilean yellow-fin with fennel brown tasso greens, sexy grits, cumin crackers, cilantro.

Descriptions of this sort require extensive interpretation, which is not slow in coming. The waiter or waitress positively defuses you in minute detail of a sort which is quite impossible to a

retain, so that by the end of the explanation you remain just as much in the dark as you were when you originally studied the menu.

This was distinctly the style of the All Seasons Café in Calistoga (707-942 9111), albeit mitigated by an excellent wine list which was almost as strong on European wines as it was on Napa and neighbouring Sonoma. It was also the case at Catahoula (707-942 2375) across the road, where the chef endeavours to combine Cajun food with Californian. It can be a mixed blessing: "Tasso Cheese Hominy Cakes with Smoky Onion Vinaigrette" (tasso turns out to be a sort of pastrami, by the way), were actually extremely good. "Southern Fried Rabbit with Dirty Rice and Collard Greens", was rather dull and stodgy.

The Willowside Café

"The general complaint is that highly spiced flavours destroy the taste of subtle wine"

is across the Mayacamas Mountains in Sonoma County. There the menu shuns the overly descriptive, and leaves it to the waiter to explain how the individual dishes are prepared. "Duck confit with

cabbage and mustard", turned out also to have been inspired by Japan. The confit was wrapped in rice and seaweed, and sat on a forcemeat wasabi mustard: guinea fowl was served with braised yams and a sauce of limes and chillies. It may have killed the taste of the bird, but it was rather good for all that.

The general complaint at my table, however, is that such highly spiced flavours inevitably destroy the taste of subtle wine, and in regions such as Napa and Sonoma, this is counter-productive.

The French Laundry in Yountville (707-944 2280) is the best restaurant in the Napa Valley. Some would say that it is also the greatest in northern California, but I am not qualified to judge. The style of Thomas Keller's cooking is not really Californian at all; it tilts rather at the very best European food and allusions to three-star restaurants in

France pepper the menu.

I had the \$35 tasting menu which offers 10 courses in miniature with an *amuse-gouache* of a cornet of smoked salmon thrown in.

It all began with an egg; one of those signature eggs which go back to Michel Guérard in Eugénie-les-Bains. It was filled with savoury custard and black truffles: delicious.

Truffles, too, permeated

the next gobet, a variation on potatoes, mashed and boiled with black truffles and white truffle oil. It was another success. So, too, was a tiny red mullet fillet on a little cake of ailloli and a parsnip sauce.

I was less happy with a rather sweet, buttery lobster with a vanilla sauce, and a quail breast stuffed with sweetbread was a little too sausage-like to make its full effect.

Stacking is very much a feature of Californian food, and dishes often sport elaborate head-dress, looking

much as if they were wearing lampshades.

The next dish was tall: a vertical combination of New Zealand venison (I was surprised at the origin of the game), polenta and over-sweet braised onions which arrived a little dry: a risk with mini-portions.

The cheese had been worked into a dish a practice common in top restaurants a decade ago which I personally disliked. In this case, the object in question was a commercial French blue called Saint Agur which was dressed up with rosemary and raisins.

The puddings and "mignardise" made up for it: a grapefruit sorbet and chocolate fondant, followed by a little crème brûlée.

Despite the number of courses, the quantities were well-judged. We were pleasantly full, but not stuffed, even if one of our number complained bitterly that he had had more to eat on a previous occasion.

The menu was also mercifully free of gobledygook. Once again, a European stance which set it aside from that very commercial, luminescent fringe which pines its trade in the Napa Valley.

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Appetisers

Two prizes for FT's Davenport

UK will be holding tasting events and encouraging customers to try its products. The food lines aim to help small scale producers in developing countries. JJ

■ An *en primeur* offer of 1997 German wine is this an elaborate joke from Laytons of London NW1 (tel: 0171-338 4587)? A way of highlighting the absurdity of top Bordeaux prices, perhaps?

Good luck to them, say I. Germany has long produced some great wine but is now producing serious quantities of fine and useful wine – much drier than in the past but with no sacrifice of quality, delicacy and all-importance for any offer

of futures) the ability to improve with time.

There is no need to buy ahead, however; retail shelves are awash with German bargains. Waitrose has Bart Simon's 1994

Serriger Würzburg Spätlese

for only £1.75 a bottle. A

Saar featherweight, it makes

so much more refreshing an aperitif than any champagne at twice the price. And to drink with virtually any Asian takeaway, von Buhl's

Armand Riesling Kabinett

1996 (£7.49, Oddbins), a full,

punchy Pfälzer, is more

versatile than any wine I can think of.

Janic Robinson

■ Cocoa from Ghana and

organic forest honey from

Zambia are just two of the 75

food products which Oxfam

now stocks. It is launching a

Fair Trade month in May

when its shops around the

world will be packed to the

brim with the spread

of Scottish food lovers will

be delighted with the spread

of futures) the ability to

improve with time.

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FOOD/MOTORING

In Friuli-Venezia Giulia, one of the least touristy regions of Italy, tucked away in the north-east and bordering Austria and Slovenia, Christian Easter, Jewish Passover and pagan spring are celebrated joyously.

The rain bucketed down this year, making amends for three dry months, to the delight of the area's wine-makers. Some parts became a mud wrestler's dream and puddles assumed Olympic swimming pool status but in the main the countryside was simply cloaked with fresh green.

Domestic hearths and dining tables, shop windows, restaurant lobbies and osterie were universally decorated with those timeless symbols of hope and fecundity, eggs and buds.

The eggs, brown and hand-painted with care, or simply hard-boiled, or fashioned from chocolate and wrapped in coloured paper or foil, were more often than not, tied with ribbons and hung from branches on the brink of bursting into leaf and blossom.

In fireplaces, in the cold burnt-out log remains, I saw eggs (Phoenix-like, ready to rise from the ashes) laid in straw nests threaded with a few wild flowers.

And in a butcher's shop in Gorizia, where ham was being sold cooked the traditional way in a loaf of bread (rather as we in Britain used to bake ham in a huff paste), the white-tiled shelf of the small window was filled by a large meat plate sown with barley. Sprouted and grown to an 8cm verdant swathe, among its blades had been secreted miniature foil-wrapped chocolate eggs. Such barley mows are common Easter table decoration in the area, and provide happy children with an on-the-spot Easter egg hunt to follow the festive meal.

The market in Gorizia, as elsewhere, was packed with the new season's wild greens, and menus everywhere reflected their importance. There were bundles of hop shoots (like bunches of unopened bluebells); longer and thinner-stalked bouquets of wild asparagus; young dandelion leaves; miniature wild fennel; a sort of chervil or radicchio Triestino (looking like corn salad but mildly bitter); tender nettle tops; *barba di frate* - also known as *agretti*, a traditional Lenten food, visually reminiscent of chives but, instead of being tender and hollow stemmed, quite firm and succulent, like marsh samphire. And much more.

Local names seemed to vary from village to village. Latin names were rarely forthcoming and English translations eluded me. But that did not stop me from tucking in appreciatively to the warm salads, risotti, *frittate* and pasta or strudel-pasta type pies that make the most popular vehicles for serving them.

At La Subida in Cormons (tel: +39 481 60531), one of the best restaurants I have eaten in anywhere, we were treated to a series of exquisite dishes, including a carpaccio of venison delicately dressed with horseradish



Organically grown vegetables: seasonality and place have been almost totally blunted in the UK by the easy availability of foods flown in from all corners of the globe every day of the year

TONY BROWN

Cookery

A touch of spring from Italy

and greens; *mizaci*, wild greens sautéed until wilted, laid on a paper-thin square of toasted strudel and finished with a hint of apple and horseradish; *bucconcini di cicoria selvatica*, deep-fried purées of wild herbs, grasses, featherlight with deep green savour; *strascinati di bruscolini*, a roulette of wild hops, barely moistened with a browned butter and breadcrumb sauce, garnished with grated lightly smoked ricotta and *pancetta*, a warm, damp brioche-like cake laced with the liqueur-sweet local tarragon.

One of the most interesting greens was variously described as *scupit*, *scupit*, *scuppit*, *silene vulgaris*, *silene officinalis* and *lychnis viscaria*. Light and nutty tasting, mop-headed with tender elongated leaves, it looks not unlike the early shoots of ragged robin.

At a dinner given by Eida Felluga, daughter of wine-maker Licio Felluga, chef Leda della Rovere of Trattoria da Roma in Manzano (+39 432 754251) lightly boiled and chopped the leaves, turned them in butter and piped them into nests. The nests were filled with eggs barely stirred as

they were par-scrambled, resulting in creamy soft yolks and flakes of white; and surrounded by snippets of lightly sautéed pancetta finished with a drop of balsamic vinegar.

Returning home to England, I reflected on how little we now hold greenery in Britain now. The habit was largely lost when country roots were traded for city values in the Industrial Revolution, and has been further discouraged by subsequent heavy use of agro-chemicals and other pollutants.

Easter ledge pudding (made with histort) is still celebrated in parts of the north of England, but only in a rather self-conscious 'heritage' way.

Children bussed to school no longer pick and nibble en route the first pale hawthorn leaves (once known as bread and cheese), wild watercress (frowned on for fear of liver disease) or the juicy stalks of long-stemmed grasses.

Alexanders, Jack by the hedge and wild ransoms are used only by self-sufficient dichards now. They also gather nettle tops and the first flush of dandelion leaves (the former for soups,

rice dishes and as a spinach substitute, the latter for salads with lardons of bacon and fried bread). Harvesting them was once a regular rural pursuit; patriots were urged to take up the habit again during the second world war.

The first shoots pushing their way bravely through the soil of a herb or vegetable bed still serves to awake a vestige of atavistic pleasure in most of us.

ability of foods flown in from all corners of the globe every day of the year.

That said, the first shoots pushing their way bravely through the soil of a herb or vegetable bed still serves to awake a vestige of atavistic pleasure in most of us.

By Philippa Davenport, newspaper food writer of the year in the Glenfiddich awards

Although I pick and cook nettles and dandelions occasionally, I confess I do so more as an extended weeding exercise than from great culinary conviction. In truth, the spring tonic excitement of sighting the first green growth of the year means less than it should to today's sophisticates whose senses of seasonality and place have been almost blunted by the easy availability of foods flown in from all corners of the globe every day of the year.

I have been heartened on my homecoming to witness the unfurling of lovation, with its celery, lemon and faintly curry fragrance. It is wonderfully dished with rabbit, smoked eel and pork meats, as well as in potato-based soups and salads. And I have watched clumps of sorrel racing into leaf, a star choice for soups and excellent for saucing eggs and fish.

Sauces call for far less sorrel than soups do, a realistic choice for those who lack gardening space and have to rely on the buttonhole-sized bunches of green herbs generally sold in British shops.

They are miserly amounts compared with the cornucopia in the markets - and on the menus of Friuli-Venezia Giulia - but a true breath of spring nonetheless, thanks to sorrel's brilliant acidic bite.

SEARED MACKEREL WITH LEMON AND SORREL (serves 2)

Mackerel must always be impeccably fresh or the flesh is highly indigestible. I opt for smallish specimens because of the richness of the fish, even when sharpened, as here, with citrus and dust generously with black pepper.

Drop the mackerel, skin side down, into the very hot pan and cook for 4 minutes. Flip the fish over carefully, in the same order as you put them into the pan, and fry for 2 minutes fleshly side over.

Transfer the seared fillets to a low oven to keep hot, squeezing a little lemon over each one (and soak the saute pan immediately).

Heat the cream until bubbling. Pour on the hot reduced stock, beating the contents of the cream pan with a little sauce whisk all

the time as you pour. Continue cooking and whisking for a minute or so before gradually working in the nuggets of chilled butter to make a foamy, lightly thickened sauce.

Draw the pan away from the heat, add half to three-quarters of the sorrel, stir and serve quickly, with a few new potatoes or good bread. Green vegetables are best served separately, before or after.



Motoring

Big daddy of the lifestyle 4x4s

Land Rover marks its 50th birthday next week. Stuart Marshall offers a personal memoir

climb a tougher obstacle than a curb outside Harrods. They swear, morning and evening, at the gates of independent day schools.

Their carpeted, wood-trimmed interiors have become so beautiful that climbing in with co-pilot-caked wellingtons is unthinkable. Range Rovers (or for that matter Toyota Land Cruisers, Jeep Grand Cherokees and Mitsubishi Shoguns) are perceived as alternatives to Volvo or Mercedes-Benz estate cars.

Smaller, lighter, cheaper and less thirsty Suzuki Vitara, Land Rover Freelander, Toyota RAVs and Honda CRVs are the choice of buyers who might otherwise have had a sports car or family hatchback.

In the country, 4x4 pickup trucks and Subaru all-wheel driven estate cars are now preferred by many a farmer or vet. The only Land Rover still bought as agricultural machinery rather than a lifestyle enhancer is the Defender, a marvellous piece of kit for off-road driving though too much of a hair shirt for normal motoring.

Just look at four-wheel drives now. Urban and suburban streets in and around London are so full of them it is easy to believe more Range Rovers and Land Rover Discoveries are driven within the M25 than in the rest of the country. Their formidable off-road capabilities are unused by all but a tiny minority. Most never

climb a tougher obstacle than a curb outside Harrods. They swear, morning and evening, at the gates of independent day schools.

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Mechanically, it was little different from the second world war Jeep that had inspired the first Land Rover. A 4-cylinder, 2.0-litre

Land Rovers beat pumping iron. Interior comfort was on the wartime Bedford 3-tonner level. But my 1950 model had a heater. It was under the dashboard and circulated stale air around the feet.

Being so short in the wheelbase - only 200cm compared with a current Defender's 225cm - an early Land Rover Station Wagon is agile across country and reasonably easy to park, at any rate for the physically fit.

The ride is choppy and performance limited. Do not expect more than 20mpg (14l/100km) and be prepared for a lot of noise and fearsome thump if you try to cruise at 70mph on a motorway.

Not having to pay to an annual road tax - all vehicles over 26 years old are now exempt - will be some compensation. Having an early Land Rover need not cost a fortune. Between £2,000 and £3,000 will buy a runner though a fully restored example may be as much as £22,000.

Owning one will certainly set you apart from the crowd. You will have a vehicle that will last indefinitely and may well increase in value. And those who see you driving it will possibly assume it was left to you by your father or grandfather along with the home farm and pair of Purdeys.

Land Rover Owner International magazine (£2.95 monthly) is a good source of information. Those seriously interested should call Dunfold Land Rovers, of Alfold Road, Dunfold, Surrey, on 01483 200567.



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PROPERTY

Gardening

Keeping ahead of the weather

Rain now won't stop play in the summer, says Robin Lane Fox

Gardening remains entirely unpredictable in the ins and British climate. We have to pinch ourselves to remember that this time last year we were suffering from a serious spring drought. Now everybody's garden is sodden and the weeds are making better progress than all of us. The only similarity is that sharp frosts in April have spoiled the best magnolias and other flowering trees which a very mild spell had brought into flower too early.

The one constant is the ability to look ahead. Nothing will make much progress between now and May; this year seems likely to be one of long stops and quick rescoes. I see myself engaged in continuous weeding when I would normally be finishing the planting in early May.

You probably know the nagging feeling that the garden needs some extra decoration, to be started now and to come to steam in three months' time. By then, we should be back up with the calendar.

I have three particular resorts in such emergencies, each of which can be guaranteed to brighten up the later summer as if this spring had never existed. The first is so dreadfully simple that we often forget it. The next week or so is an excellent time to plant the infallibly easy seeds of nasturtiums.

Nasturtiums may sound obvious, but they have all sorts of under-appreciated uses. I have never deserted the tallest varieties which will trail to a length of many feet by mid-August. I start the seeds of these big varieties in individual small square pots of soil, and then plant them out as emergency climbers on walls, under-equipped arches and any supports where permanent climbers are making slow progress. A wall of tall nasturtiums is a marvellous sight and extremely easy to contrive. The plants will cling on to the wide mesh pigwire which is so much cheaper and easier to fix than chicken netting. Sown now, young plants will be ready to plant out by mid-May. I find that they establish better and are even easier to space out if they are grown in pots first rather than in open ground.

Alternatively, you can pack nasturtiums into a window-box. By far the best variety is Whirlybird, which will hang over the edge without being too long or too stunted. Actually, it is possible to over-pack – as I found last year when putting eight or nine plants into boxes about 5 ft long. By early July, they looked magnificent, but they competed strongly for water, and went into reverse, succumbing to blackfly on the way down. This year, five or six plants will be enough for each box.

The seeds are so much cheaper than the half-grown tender bedding plants which will be on sale in six weeks' time in inner cities. Anyone can grow them, either by sowing directly into a window-box or else by starting the seeds in suitable boxes. Whirlybird's colours look particularly beautiful against all shades of building stone.

My second resort for

troubled seasons is the good old gladiolus

and easy. Catalogues describe the Woodpecker as uranium-green with a small purple centre, but I can assure you that uranium is a pleasant pale shade.

Anglia is much more vivid, a good yellow with a

wonderfully exotic when August is becoming grim. Last year, I had success with the small-flowering gladioli because they are not so top heavy as the big florist forms. The winners were Green Woodpecker and Anglia, both of which are cheap

garden in warmer parts of Europe. I have given up most of the half-hardy blue forms, especially the lovely guaranitica, simply because they need so much water and, by the cruel law of averages, we will no doubt be short of it in summer when they need it most.

Rooted plants of a good

easy red like Newby Hall

will grow on to make bushes about 2 ft wide and 2 ft - 3 ft high by the end of the season. Mine have survived the last two winters with only minimal damage.

In gardening, you have to

keep your eye several

months ahead. It is hard to

keep it anywhere else in this

exceptionally wet year. We

have been flooded off the

flower beds, but the rain

gives us even more of a

chance to take the longer

view which otherwise would

be lost in the mid-spring

rush.

It is now back on the

market at £2.50. It has

On the Move

Where modest pricing wins

Buyers are attracted by realism, says Anne Spackman

Pricing appears to be key in the country house market this spring. Properties offered at ambitious figures are sticking, whereas those pitched more modestly are attracting multiple bids.

John D. Wood in

Cirencester has just gone

best and final offers on

Luckington Manor, a 17th

century Cotswold house in

three acres near

Badminton. It was expected

to exceed its £275,000

asking price. Similarly,

Newlands, a predominantly

Georgian house on the

Kent/Sussex border, with

views over Ashdown Forest

to the South Downs, has

attracted strong interest

and early bids. Strutt and

Parker in Lewes (01273-

475411) has set an asking

price of £350,000.

Knight Frank and

PPD/Savills have wiped 20

per cent off the £2m asking

price for Great Martine, a

substantial house in 72

acres, with an additional

250-acre farm, south of

Twyford in Berkshire.

The core of the house is

16th century, with later

additions including a large

games wing with

swimming pool, squash

court and billiard room.

The grounds include an

elegant lawn overlooking a

small lake, formal rose

garden and a tennis court.

The asking price is now

£4m from Knight Frank in

Ascot (01344-524732) or

PPD/Savills in Henley-on-

Thames (01491-843000).

In Wiltshire, PPD/Savills

(01255-446822) is selling

Chalcot House, a

Palladian-fronted manor

house near Westbury. The

property was quietly

marketed last spring,

before being withdrawn.

It is now back on the

market at £2.5m. It has

substantial reception

rooms, eight bedrooms,

seven bathrooms and a

gym, as well as a staff

cottage, tennis court and

stables. The grounds,

which are mainly parkland,

extend to 47 acres, with

views across to Salisbury

Plain.

Heath homes

Inverforth House has the

style and grandeur of a

country mansion, but is set

on the fringes of

Hampstead Heath in north

London. Once home to Lord

Leveson-Gower, it enjoyed a

brief existence as a

convalescent home for

trade unionists, before

being bought in 1984.

The main house has been

divided into seven

apartments, which provide

some of the grandest

lateral space to be found in

London. The ornate

ceilings and cornices have

been meticulously restored,

as has the marble entrance

hall and the formal

gardens. The Adam

apartment covers a massive

7,400 sq ft, including the

stunning soft gilt room,

with floor-to-ceiling

windows leading out on to a

2,000 sq ft covered

terrace. What was once a

bedroom is now a series of

bedroom suites.

By Hampstead standards,

the prices are equally

spectacular. The Adam

apartment is priced at

£4.25m. Other apartments

range from a 2,100 sq ft

single storey flat priced at

£1.35m to a 2,000 sq ft

duplex at £2.85m. Both

wings of the property have

been converted into houses,

one of which has already

been sold. The other, with

five bedrooms and an

indoor swimming pool, is

on the market for £4.6m.



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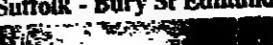
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EDUCATION

Summer schools for all tastes

Ancient Sparta, Venetian art, flower arranging – you only have to choose, says Simon Targett

Anyone would think the summer school is a new-fangled concept dreamed up by some bright, backroom Blairite wonk, judging by the way Labour ministers have hailed the idea for raising academic standards across the UK.

Within weeks of the general election last May, David Blunkett, the education secretary, was announcing plans to "pilot" a series of literary summer schools.

After that, ministers commissioned a team of high-level research on the impact of summer schools, as if they had to convince a sceptical public of the educational value of some extra study during the vacation.

Last month, ministers said they would be pressing ahead with the experiment, reserving £5m for the creation of 562 literacy summer schools.

This week, Blunkett outlined plans for a network of 8,000 home-work "crammers", which will be open during the holidays, and government officials are expecting to launch some pilot numeracy summer schools next month.

Yet, as an educational rather than merely recreational idea, the summer school has a long history.

Harvard University set up the

first American summer school in 1871. In the UK, Oxford University, started its programme for adults in 1875.

Cambridge University, meanwhile, points to the series of six lectures delivered by a Trinity College don in the summer of 1888 to the workmen of Crewe.

James Stuart, who later became Cambridge's first professor of mechanical engineering, aimed to weave "a thread whose strands are pleasure and instruction", and he hoped the Crewe workers would keep the thread "spinning all through their lives".

More than 100 years on, the balance between pleasure and instruction has been preserved by Harvard, Oxford and Cambridge, although the ethos remains disarmingly highbrow.

As Antony Sanderson, Oxford's marketing officer, puts it: "We tend to stay away from flower-arranging – that's not our business."

Harvard offers more than 200 courses – all taught by lecturers with a Harvard affiliation – which range from anthropology and astronomy to Ukrainian and women's studies.

A typical course is elementary Sanskrit, taught by Michael Witzel, Harvard's Wales Professor of Sanskrit, which costs \$3,160 and aims to

give students a basic knowledge of the *Devanagari* script.

On top of the tuition fee, students pay an application fee (\$35), an on-campus housing fee (\$3,640) and a health insurance fee (\$35), taking the total cost of the course to \$5,930.

This is not cheap. But, as Peter Buck, the dean, says: "As a visiting

Oxford is launching a local history summer school, in collaboration with the National Trust

student at Harvard, you will have access to a distinguished faculty, fine museums, well-equipped laboratories and the largest university library system in the world."

Harvard's summer school, which runs from June 22 to August 14, welcomes international students, who usually make up a quarter of the numbers and who come from

more than 80 countries.

A less expensive option is a course at Oxford or Cambridge.

Oxford's summer school for adults, which runs from July 18 to

August 22, offers one-week courses, each costing £265 for non-residents and £275 for a single room in Somerville, Margaret Thatcher's old college.

Students can pick from over 50

courses, which include medieval

rural society in manorial docu-

ments, the Etruscans, Venetian art,

and American film noir.

Students can pick from over 50

courses, which include medieval

rural society in manorial docu-

ments, the Etruscans, Venetian art,

and American film noir.

In a new venture this year,

Oxford is launching a local history

summer school in collaboration

with the National Trust. The

school will offer courses on every-

thing from vernacular architecture

to "English market towns from

1500-1700", and seminars will be

run by, among others, Jonathan

Sanderson, deputy surveyor of the

Queen's works of art.

Oxford's summer school motto,

echoing James Stuart's memorable

phrase from a century ago, is

"learning with pleasure". In keep-

ing with this, students are given

time, as the prospectus makes

clear, to go punting or engage in a

spot of wine-tasting.

Cambridge offers a series of

three-week summer schools – art

history, history, Shakespeare,

English literature and medieval

studies – which are designed for

students with a modicum of exper-

ience. This year's art history course,

which costs £275 plus £55 for

accommodation in Girton College's

Wolston Court, focuses on art and

colour from the Middle Ages to the

present day, and offers such ecos-

tically titled courses as "From

Van Gogh to Camden Town".

The history course, aimed at

"dedicated students and teachers of

history", offers 42 hours of tutor-

ials on specialist subjects such as

"Ancient Sparta: myth and reality"

or "A study in Empire: Wilhelm II

and the Germans", as well as 21

extra hours for plenary sessions

and lectures by eminent Cam-

bridge historians.

An alternative university venue

is the Bloomsbury summer school,

run at University College London,

England's third oldest higher edu-

cation institution. This year, it is

offering eight one-week courses

under the banner "Ancient civilisa-

tions: from the Nile to the Indus" –

which cost £230 plus £17 a night for

accommodation.

Of course, not everyone wants a

highbrow holiday, and across the

country there are several schools

and many further education col-

leges that stress the recreational

rather than the educational.

Millfield, the boarding school,

runs a "holiday village" which of-

fers a packed itinerary of events

sometimes rounded off with an

evening invitation to "drink in the

bar and join in the sing-a-long".

The programme is geared to fam-

ilies, and the courses are pitched

accordingly – with activities such

as cycling and riding as well as

visits to the historic houses of

Somerset and sessions on "fitness

for the not so fit".

In the evening, adults and older

children can attend lectures on

such diverse subjects as the inter-

pretation of dreams and the

Afghan tribes of Baluchistan.

But, if this sounds suspiciously

learned, Millfield is not Oxford,

and just to prove it, runs a course

on dried-flower arranging for a fee

of £50.

The cost of Millfield's courses

range from £20 to £200, and accom-

modation is £130 a week, or £170

for those who take two courses.

Anne Streeter, the summer

school administrator, says this

makes Millfield a good alternative

to the Costa del Sol. "These days

people want more than just a

beach. When you go abroad, you

just get the accommodation, the

sand and the sea – and that's it.

Whereas here, you get everything."

Much shorter courses can be

found in further education col-

leges. They may lack the prestige

of Harvard and Cambridge, but they

can often be enlightening.

Bromley College runs courses on

Indian head massage in July and

August. Camberwell College of

Arts offers a short course on "con-

servation mounting" in July, and

the London College of Fashion has

a five-day session on felt and straw

millinery.

And for those who do not view a

stint at summer school and a week

in the sun as an either/or option

the Hampstead Institute puts on a

two-day course in June called

"Looking good for your holiday".



A lucrative little industry

the auctioneer. Students take classes in garden design, opera or the fine arts – so long as they can afford the £1,545 fee.

With a commercial eye on the main chance, Oxford has also devised summer schools which cater for business clients with an expense account. The "International summer engineering programme", which attracts 1,200 students and is in its 10th year, offers 32 "state-of-the-art" courses in software engineering and computing, at prices ranging from £260 to £1,150.

There is also a four-week programme in international human rights law, housed in New College and costing £2,750, which has, in the past, attracted scholarships from such groups as the British Council and the Soros Open Society Institute.

Oxford benefits financially and sometimes it picks up brilliant, but undiscovered, students.

"They are encouraged to take a longer course during the winter, and some end up as undergraduates at Oxford when they are in their 30s or 40s," says Antony Sanderson, the summer schools' marketing officer.

More than 200 summer courses are offered at Harvard University in the US, ranging from astronomy to Ukrainian studies

Photo: Peter Cade/Corbis

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TRAVEL

Spires and Spirits

The past is dead – long live the past

John Westbrooke crept into the crypt of York Minster... and was very impressed

York lays claim to more than 140 ghosts, shimmering through its cellars and alleyways: betrayed servant maids, beheaded traitors, plague victims – and that is not counting Prince Rupert and a troop of Cavaliers, refigting the Civil War in the fields outside town.

This may make it seem a melancholy town; and indeed, on a mizzling spring day, that is how it looks. Few places in England summon up the feel of the dead past as well as York.

It was founded by the Romans, but its real heyday was as a wool town in the Middle Ages. The buildings in the centre are much the same height – about three storeys – but in a pleasantly medieval variety of materials, styles and ages. Upper floors project out over the

winding lanes and damp cobblestones.

Street names such as Goodramgate and Wimp-Ma-Whop-Ma-Gate, echoing the *gades* and *gatows* of Scandinavia, recall the days when it was a Viking city.

Cats and dogs and ghosts lurk in the snickeways, which are like alleys but even smaller (the name is apparently modern, but it has the right antique sound). Seen in a dim light it is all very old – the more so because looming out of the mist as it has done for 500 years is York Minster, one of the country's grandest medieval churches.

York and Canterbury long haggled over which came first; the primacy of the primates was agreed in the 11th century with a formula making the Archbishop of York the Primate of England and his Cantuar counterpart Pri-

mate of All England.

Still, the northern town may have the greater claim to history. The conversion of the English emanated from Canterbury around 600, but there is evidence of Christianity in York as much as three centuries earlier. In 306, Constantine was proclaimed Caesar here by the troops he led, and seven years later he recognised the religion throughout the Roman empire. Did he acquire the faith in York and spread it around the world?

The Minster was built between 1220 and 1472. Gothic architecture allowed bigger and bigger windows, lightening the gloom of northern cathedrals, and York took full advantage of this new technology.

Stained glass became a York speciality, and a tree of Jesse, from about 1160, is believed to be the oldest

example in the country. But the most unusual windows are the Five Sisters, high, slender grisaille – fragments of grey – glass in the north transept.

Closer up, you can see patterns in the leading, and even flecks of colour; but from a distance, it looks oddly like a photographic negative: the stonework of the Minster, clean and bright, provides more light than the dark, south-facing

window which was supposed to illuminate it.

Such, on a grey day, is the case with a lot of the decoration in the Minster: to see anything more than 10ft above ground, take binoculars and a powerful torch. Without them, you may struggle to read even the eye-level epitaphs of beheaded Elizabethans, soldiers fallen among Greek brigands, and grand ladies gone before. ("For her character and

other particulars, see the Gentleman's Magazine for May 1600," advises one.)

Somewhere up there is stained glass showing a lot of monkey funeral, a carving of Aristotle being ridden like a horse by a courtesan, and a roof boss depicting the Nativity but coyly amended by the Victorians to show Christ being bottle-fed.

The building has had its disasters. Lightning set the south transept ablaze in

1848. Some attributed this to divine displeasure with the sayings of the archbishop, though this would mean the Almighty placing a lot of tabloid misreporting.

Replacement roof bosses were designed in a competition run by children's TV programme *Blue Peter*.

In 1967 it was noticed that the whole fabric seemed to be cracking. In the course of bolting the foundations together, much was discov-

ered about the Minster and its predecessors – the Roman basilica where Constantine was proclaimed, and the Norman cathedral of 1100.

In the crypt, sturdy Norman piers with deep geometric carving hold up the choir. Nearby, in the undercroft you can stand between two sets of foundations, Norman and medieval, complete with a well and Roman culvert. All this is imaginatively laid out and described.

York is no theme park but it makes the most of the past. The Jorvik Viking museum was the country's first "dark ride" through tablau of the sights, sounds and smells of the Viking era. The York Castle museum has splendid full-scale recreations of Victorian and Edwardian streets. The 1877 railway station was once the world's biggest and is still elegant behind the billboards; the National Railway Museum is next door.

And out in the stickies of an evening, several ghost tours compete for the visitor's attention, each promising the lowdown on the spirits lurking in York's shadows. You may need more than torch and binoculars to see anything there, but who knows?

■ John Westbrooke visited York as a guest of Superbreak (0161-238 3257), city break specialists, and stayed at the Ambassador Hotel: rooms from £20 a night half-board. Entrances to York Minster is free (signs ask for £2 donations) but modest fees are payable to visit the crypt, undercroft and tower.



York Minster: to see anything more than 10ft above ground take binoculars and a powerful torch

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TRAVEL

Virgins which nurture learner sailors

Alan Ponsford revels in a group of islands offering perfection for mariners ancient and modern

It was in the British Virgin Islands that I resolved that the second most delectable of human activities was diving off a boat into a warm, gin-clear, turquoise sea alive with multi-coloured fish.

That was so long ago – and my acquaintance with the main island of Tortola so brief – that I remember virtually nothing else.

This time was different – and certainly memorable – very different, in fact, from any conventional Caribbean holiday. We were based on Virgin Gorda, at the eastern extremity of the BVI cluster. Based, that is, because our week-long itinerary put us for two glorious days of sailing aboard *Iris*, a 41ft private yacht, leaving five days for relaxed dry-land luxury at a stylish, smart-casual hotel called Biras Creek, accessible only by sea.

Boats are what the BVI are about. Experienced yachts return year after year for the abundance of sheltered anchorages, of marine facilities and deserted beaches, of small restaurants and hotels for nights land-side for the unspoilt beauty that is preserved by the absence of a jumbo-jet airport and high-rise resorts. Every night more people sleep afloat than ashore.

For learner sailors the islands are a kindergarten. To the south, the distended chain of the Grenadines means long passages in often challenging winds. But, scattered like chunky pieces of an abandoned jigsaw, the BVI shelter one another and keep the mariner within sight of land.

For those who wish, and we did, Biras Creek can also be about boats. The high-



General Information

- The week-long Sailing package, covering Biras Creek and Iris, costs from £2,100 per person until December 20 from Harlequin Worldwide, 100 South, Oldham, Lancs, Tel: 01706 552700, fax: 01706 552702. Prices include a car.
- British Airways flies once a week to St. John, Virgin Gorda, a week to Antigua, and LAY on to Basseterre, Tortola. The Antigua route requires a four-hour wait between flights, but small aircraft can be chartered for immediate connections. Either way the journey to Biras Creek ends with a taxi and powerboat.
- At the hotel the small boats and some snorkelling and walking tours come with the complements of the management. More extensive big boat trips cost £30 to £60. My spouse-researcher paid £50 for half-hour water-skiing sessions that lasted never 45 minutes. (The US dollar is the currency of the BVI. Guests not wanting to walk or cycle can be driven on electric golf carts.)
- Ferries and water-taxi operate between the main islands.

light of course was *Iris*. Johnny and Liz, who own her, are an Anglo-American couple. He is the one with the Kentucky accent. They share impressive qualifications in sailing and scuba-diving, not to mention galley cooking, and proved convivial, interesting company. Their local knowledge of where to go, swim, anchor,

dive over wrecks and explore reefs made for an idyllic trip. On a snorkelling and free-diving expedition at our hosts' chosen location off Cooper Island, Johnny led us among a flurry of blue, green, yellow and pink parrot fish, hogfish, filefish and countless more. We followed a hawksbill turtle, while yellow-tailed snapper formed

alongside us. If you meet a barracuda, said Johnny, look him straight in the eye and he will turn tail. We did not have to put that to the test.

Iris was roomy, comfortable and immaculate. She is after all Johnny and Liz's home, moored in Biras Creek's marina. We slept in a spacious, wedge-shaped bed at the pointed end with

our own loo and shower. They had a cabin in the stern.

They rarely take more than one couple to see overnight. If they do, they have to be satisfied that the four-some will be compatible.

Biras Creek itself is a place where you could have a great time doing very little. Its 34 bungalow suites are tucked among sea grape and tamarind trees, many

along a pretty but unswimmable beach.

Dirt trails winding through its 140 acres of thin bush and surrounding hills reward hikers with the sights and sounds of a profusion of exotic plants, birds and other wildlife, all harmless. We encountered two of the resident iguanas, who waited, seemingly bored, while we photographed them. From the elevated, open-sided dining room, lingering over sumptuous lunches, we watched pelicans endlessly plummeting for seabirds.

The private white coral bathing beach is a few min-

utes' ride on one of the pair of bicycles parked outside every door. In the horseshoe-shaped bay fringed by a web of mangroves, we began our DIY seafaring.

Graduating to the hotel's glass-bottomed boat, we expected a modest dinghy and a bland look at a nearby reef. In fact, it was a substantial craft that skimmed a dozen of us two miles down

Scattered like pieces of an abandoned jigsaw, the islands shelter one another

North Sound, protected by Pricky Pear and Mosquito Islands, and out into more open water to be bounced past See Dog, George Dog and Great Dog to the bottom tip of Virgin Gorda.

There, the Baths are a remarkable natural assem-

blage of enormous boulders along the shoreline, through which we clambered and waded asewstruck. Warning: this is the islands' most frequented sightseeing attraction. There must have been at least 20, maybe even 35, other gawkers there.

Most blissful and leisurely of our sea outings was provided by the hotel's small fleet of Boston whalers. These hatty-sounding craft turned out to be tiny dinghies with outboards, in which we pottered about the sound playing pick-your-own-beach. However, we only made a pass at Necker Island, judging it to be above our station.

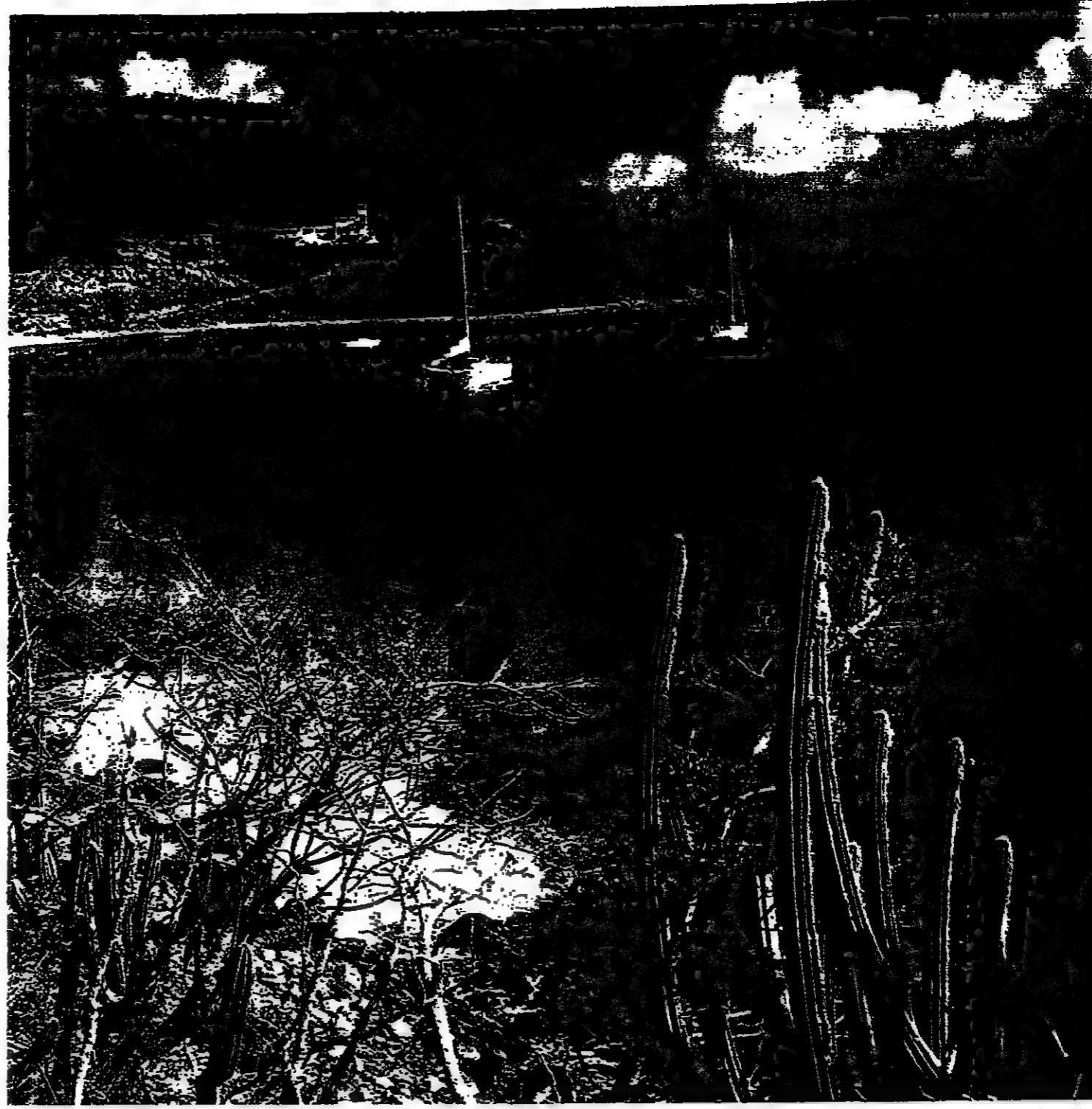
The owner, one Richard Branson, has his 10-bedroom second home there and will rent the lot to you for \$12,000 a day. Mind, you can take six friends with you for that. Make up a party of 18 and it will cost you a mere \$1,000 a day each.

Nowhere were we cut up by those obnoxious jet-skis, which are restricted to two in number and to their own

distant patch.

At the other end of the scale, it was a deep-throated powerboat that zoomed us for an hour at 22 knots past half the BVI to the most distant of the inhabited ones, Jost Van Dyke. At its White Bay, on a long, sublime beach where you expected to meet Robinson Crusoe, we found Sandacre, a simple, four-cottage, wooden guest house which has the Soggy Dollar Bar as its most celebrated feature. It is so called because, having no landing stage, it obliges most of its patrons to swim ashore cash in hand or, in my case, in teeth.

While their dollar bills dry, pegged to a clothesline above the bar, they down Painkillers. These are deceptively delicious local concoctions, a mixture of fruit juices on a base of Pusser's Rum, the blend that used to be issued to the Royal Navy and stands above every bar in the islands (see story below). Three of those and we lay back without a thought of England.



The unspoilt beauty of the British Virgin Islands is preserved by the absence of a jumbo-jet airport and high-rise resorts

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GREECE: The Authentic Choice

No need to make excuses for a rum do

Pusser's Rum, immortalised in the BVI, was the Royal Navy's affectionate nickname for the sailors' daily spirits ration, a tradition that began in the West Indies and lasted more than 300 years.

A ship's purser (derived from purser) was responsible for provisioning and thus for storing, testing and issuing the precious fluid. It had a distinctive bouquet and unique taste that came from blending a number of rums according to a secret formula.

In 1800, 10 years after the practice had been ended, Charles Tobias, a former US marine who had acquired the recipe from the Admiralty, launched it commercially, producing it in a plant he built near his home on Tortola.

Now there are four establishments prominently labelled Pusser's, scattered throughout the BVI, entertaining tourists and visiting yachtpeople.

The rum issue was performed with elaborate ritual. Its effects on the sailors were mixed. It certainly helped to make the appalling conditions of shipboard life more tolerable and infused Dutch courage against the terrors of the cruel sea and the rudimentary surgery with which battle wounds were treated.

But what was gained in

morale was lost in sobriety, which worried captains at sea and their lords and ladies of the Admiralty at home for three centuries. It was soon decreed that the initial copious ration of half a pint of neat rum was to be watered, a mixture that became known as grog.

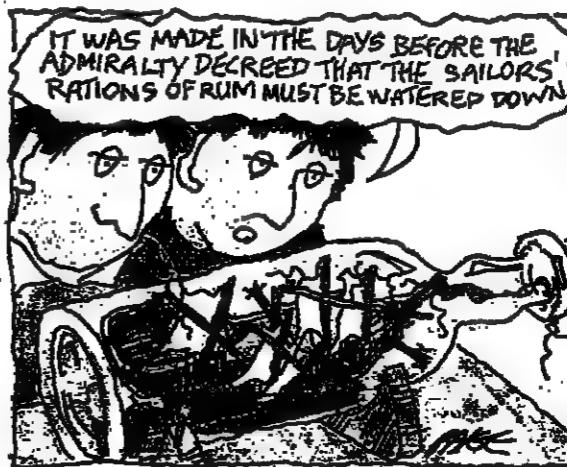
When the allowance was halved, more meat and cocoa – and pay – were provided in compensation. But a quarter of a pint (a gill) of spirits still equalled four double whiskies.

In the mid-19th century, with intrepid sailors still scaling riggings and manning guns, an official grog committee halved it again. In 1881 the officers' free issue war withdrawal.

It was July 31, 1970, to be known forever as Black Tot Day, when the Navy finally dealt with the incompatibility of rum and the modern nautical world of technology, electronics and atomic power. It marked the occasion with much mournful, tongue-in-cheek pageantry aboard Her Majesty's ships as *Up Spirits* was piped.

By way of *quid pro quo*, the Sailors' Fund was established to provide amenities and recreational facilities for the lower deck and to be managed by them.

To start it, £2.7m was squeezed out of the Treasury, with Charles Tobias undertaking to



subscribe \$2 for every case of Pusser's sold for 100 years. The fund is now worth millions.

Today the Royal Navy gets a rum issue only on rare

special occasions marked by splicing the mainbrace, which can be ordered only by senior royals and the Admiralty. In the BVI they need no such excuse.

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TRAVEL

Across the jungle came a putrid smell

The indefatigable Brian Ager followed his nose – avoiding snakes but not leeches – in a Borneo rainforest adventure

The stench grew worse as we sweated our way down the slope. The smell, like putrid flesh, may have been far from pleasant but we were about to enjoy one of the highlights of a holiday in Sabah. We were on the trail of the largest flower in the world – rafflesia.

This one was not the biggest on record – it measured a mere 30cm across – but at least we saw it. This was an achievement, since our guide, Andrew Sani, estimated that only 2 per cent of the people who live in Sabah – and an even smaller percentage of visitors – have seen one.

This is because it takes nine months for a bud to mature into a bloom which lasts only a few days before it decays. So we gloated over the pinkish-orange speckled petals and put up with the smell, which attracts pollinating flies.

The rafflesia was on private land, so we paid 10 ringgit (less than £2) each for the privilege of seeing it. A nice little earner for the landowner – but there was only one other bud showing so he would have a while to wait for another pay day. To make his prize flower more accessible, steps had been made to a wooden viewing platform. The rafflesia itself was protected with a small galvanised roof since rain can ruin a flower.

Not that rain was a problem. Sabah was suffering from a water shortage after a poor monsoon season. It made the going easier when we went on jungle treks.

I had started with trepidation. The Borneo Rainforest Adventure came with a warning that one must be fit enough to cope with high temperatures and humidity and undertake some strenuous walks. Not quite what you would expect from Saga Holidays, which had organised my trip. The seven holiday-makers – five Britons and two Americans – all expressed some fears, including that of being shamed by some super-fit 50-year-olds. But there were no youngsters on this tour.

The beginning was easy. Two nights at the Shangri-La's Taming Juru Resort with a relaxing boat trip to Sapi Island. Then it was a flight to Labud Datu on the opposite coast and a bone-



Down mist clearing over the rainforest in the Danum Valley

jolting minibus ride over dirt roads to Danum Valley to stay at the Borneo Rainforest Lodge. We had an early intimation that we were somewhere different when a fellow guest reported that she had nearly trodden on a snake on the boardwalk connecting the chalets. One of the forest rangers identified the snake as "moderately poisonous".

I was bitten – but not by a snake, by a tiger leech. It was a painless but messy experience. The leech falls off when it has its fill, but the blood continues to flow since the leech uses an anti-coagulant to make its task easier. I only knew I had been bitten when someone pointed out my blood-soaked trouser leg.

The leech had become attached

to me on a solo walk – which had otherwise been a success. I had spotted a young orang-utan in a roadside tree and a pied hornbill as I ventured off the road along a track.

There were also some organ-

ised walks – satisfactory for

examining trees, ferns and vines

but not a good way to spot ani-

mals. This could be said of most

of the walks we had in other

parts of Sabah. A party of noisy

humans is almost guaranteed to scare off any animal, but the exercise, in temperatures up to 90°F and high humidity, may have been good for us.

Then there was another bumpy ride to the Kinabatangan River. This was more like it. We sat in motorboats which cruised along as we watched long-tailed and

tiger beer would probably exhaust supplies.

After three nights in chalets, it was back to civilisation again with two nights at the Sandakan Renaissance Hotel. Sandakan was of particular significance to at least one of our party. She had longed to visit Sabah since reading *The Land Below the Wind* as a girl – and near our hotel was the house where its author, Agnes Keith, had lived. We made a pilgrimage, but the once lovely house is in disrepair. There are plans to restore it and turn it into a museum "when there is enough money", but there must be many more projects in urgent need of funds.

We visited Sepilok orang-utan sanctuary – where rescued orang-utans are rehabilitated so

they can be returned to life in the surrounding rainforest. As we walked towards the feeding platform, young orang-utans would grab the hands or legs of bemused humans. We had been told: "Please do not touch them as we are trying to wean them from depending on humans."

Obviously the orang-utans had not been given the same advice, but it was as close as any of us had ever been to these fascinating "people of the forest".

On Selengian Island it was back to fairly basic accommodation. It was worth it to see a turtle laying eggs on the beach in the early hours of the morning. The eggs are collected by the Turtur Island national park rangers and buried in an enclosed hatchery area. When the young turtles

hatch after a long incubation period they are released into the sea. Since at least one turtle comes ashore to lay almost every night of the year, visitors are almost guaranteed to see both the egg-laying and newly hatched turtles scurrying down to the sea.

Few survive natural predators, but at least the workers on the island make sure that many more are hatched than would otherwise be the case.

Next stop was Libaran Island for the most simple accommodation of the trip – palm-thatched huts with no air-conditioning. But the huts faced the beach, which meant that there was a beautiful view and a sea breeze to keep the interior cool.

Staying put is not what the Borneo Rainforest Adventure is all about. We were back on the boat to Sandakan for a tour of the city, which was almost totally destroyed during the second world war. The oldest building – the English-style church of St Michael and All Angels – dates back less than 200 years. An indication of the multi-racial population there is that services are conducted in English, Bahasa Malaysia or Cantonese.

A five-hour coach ride took us back to the west coast and the higher, cooler country in the foothills of Mount Kinabalu, south-east Asia's highest mountain. It is worth staying at the Mountain Lodge just for the early-morning view of the mountain; it becomes shrouded in mist for the rest of the day.

In Kota Kinabalu, where we stayed overnight before the flight home, there was a reminder for us that the dry weather which had made the going easy on our jungle treks was bad news for Sabah.

There was a smoke-haze from a forest fire and the local newspaper had a warning about the need to conserve water because of the drought – only too familiar to those in the party who came from Yorkshire.

■ Brian Ager travelled with Saga Holidays, freephone 0800-04383. The journey costs from £1,399 to £1,499 per person depending on when you go. Arrangements in Sabah were made by Wildlife Expeditions, which has offices in Kuala Lumpur, Kota Kinabalu and Sandakan.

HOLIDAYS & TRAVEL

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TRAVEL

Perfect antidote to the modern Luberon

Nicholas Woodsworth delves into ancient corners

It was early spring, and I sat ensconced on the sunny terrace of *Le Recré* restaurant in the Provençal village of Lourmarin. Having ordered a pitcher of red wine and a *salade des Seguires* – smoked breast of pork and goats' cheese on curly lettuce – I was content to watch life pass me.

And pass it did. Lourmarin nestles – in brochure-speak – all villages in Provence either nestle or perch – at the foot of the Luberon hills. A celebrated village in a celebrated area, it has attracted outsiders ever since the writer Albert Camus took up residence here in the 1960s. He is resident still – he lies in the village's pretty, thyme-scented cemetery – and outsiders continue to visit in ever greater numbers.

The trouble with the Luberon, I reflected as I watched crowds of visitors surge through the village, is that it is too pretty by half. Lourmarin, Gordes, Roussillon, Bonnieux, Lacoste – these and a dozen other Luberon villages, once the homes of a hard-working rural peasantry, have now come to resemble meticulously kept sets for period plays or opera.

One expects at any moment to be dramatically addressed, to swelling orchestral accompaniment,

by large tenor from an upstairs balcony. It all seems a little ridiculous.

Had I become cynical? Perhaps I had. But set against the tour-buses now beginning to pull up in front of it, the renaissance Château de Lourmarin suddenly looked somewhat unreal. The village bell-tower, the medieval stone houses, the cobbled streets, the dark cypresses and silver-grey olive trees in the fields beyond – all looked faintly contrived. I gazed down at my goats-cheese *salade des Seguires* arrived. Even it looked bogus and glossy, like something out of a Provençal photo-feature in the pages of a food magazine.

Was there nothing left in Provence that was not a parody of itself? What I asked Christine, the waitress at the *Recré*, was *les Seguires*? It was, she replied, a place in the very middle of the Luberon hills, a valley of bare rock and deep gorges, so rough and wild that very little has changed there in centuries.

I found myself hurrying my food and setting off. An age-old Luberon sounded the perfect antidote to a modern Luberon.

From time to time, Pessumes admits, he gets readers of Peter Mayle's *A Year in Provence* who mistake his auberge for one described in the book, which is located in the next valley.

It is an odd characteristic of human nature – people like to follow other people from one well-established watering hole to another. Step just a few feet off the route and, almost magically, the crowds and noise fade away. When Pierre Pessumes set up 38 years ago in the bottom of a deep gorge under the looming *Fort de Boux* it was not to become a hermit – the *Auberge des Seguires*, after all, has 27 guest rooms built into the gorge's rock face.

But he did want to avoid the trendy tourism that even then was beginning to trickle into the larger cracks and recesses of the 95km Luberon hill chain.

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He is happy to feed them. But as auberge proprietor, 18-year promoter of Provençal culture, and mayor of the commune of Boux (population 118), he remains firm. At the bottom of his auberge brochure is a warning: "This establishment is not recommended to those who deny that the countryside is the countryside and that legs are made for walking. Stiff-collared persons looking for uniformed waiters and formal gardens are advised to seek elsewhere."

Best-selling books about Provence may indeed change the way people look at the Luberon, Pessumes told me as we stood at the gorge-bottom looking up the *Alagnon*, the small river that

over millennia has cut the Luberon in two. What they have not done, he insisted, is change the light, the rock, the sun, the intense colours, the aromatic smells of hillside vegetation baking in Mediterranean heat – all these remain.

What is special about the Luberon countryside, Pessumes said, is the relation between man and the land. Its beauty is not just wild beauty – over centuries it has been fashioned again and again by the human hand – by farmers, herdsmen, warriors, searchers for water and builders in stone. But a balance was preserved.

It has to be walked, Pessumes maintains, to be understood. A good place to

begin, he said, pointing straight up in the air above us, is the *fort de Boux*.

It would be easier with a pair of wings, but Pessumes was right. Sitting 300ft above the gorge floor on a narrow, sheer-sided mass of rock, Boux has been inhabited by man since prehistoric times. There are primitive cave-dwellings, crumpling celtic village houses, Gallo-Roman watchtowers, 8th century churches, sophisticated siege defences from the 1300s. Scrapped, gouged, chiseled and hewn, Boux, abandoned only last century, is built entirely of stone.

Stand just a pace from a dizzying drop beside 18 foot storage silos carved into living rock, and you will begin to understand how close the inhabitants of the Luberon lived to the elements.

They still do. From the *Auberge des Seguires* you can walk along the valley of the *Alagnon*, up the sides of the gorge by a narrow path, and through miles of spectacular, roughly broken country dotted here and there with centuries-old settlements.

My own footsteps took me in the direction of Chantebelle, a place that soon lived up to its name. As I walked above the gorge with not a soul about, I thought I heard an eerie singing floating up from the tumbled wilderness below me. It was not my imagination. A moment later

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INTERNATIONAL ARTS GUIDE

What's on around the world

AMSTERDAM

EXHIBITIONS

Rijksmuseum
Tel: 31-20-673 2121
Drawings from the Golden Age: special display of 100 17th century Dutch drawings. Highlights include the first landscapes by artists such as Vischer, Van de Velde and Van Gogen; from today until Jul 12

Stedelijk Museum
Tel: 31-20-5732971
www.stedelijk.nl

Water Pitcher - Drawings: Sculptures: Buildings. Installation by the Austrian artist of work which challenges the boundary between sculpture and architecture; ends tomorrow

Van Gogh Museum
Tel: 31-20-570 5200
Jewels from a Photographic Collection: from the Print Room of Leiden University, selected by students and focusing on the period 1860-1900. Includes works by Breitner and Witsen as well as many hitherto unknowns; to May 3

OPERA
Netherlands Opera, Het Muziektheater
Tel: 31-20-551 8911
Wozzeck: by Berg. Wim Trompert directs a revival of Willy Decker's 1984 production, with designs by Wolfgang Gussman. With the Netherlands Philharmonic conducted by Hartmut Haenchen; Apr 26, 28

BALTIMORE

EXHIBITION

Walters Art Gallery
Tel: 1-410-547 9000
Monet: Paintings of Giverny from the Musée Marmottan. 22 paintings of the famous gardens, shown alongside works from the collection; to May 31

BARCELONA

EXHIBITION

Fundació "la Caixa"
Tel: 34-3-207 7475
1698, Fin de Siècle Spain: Daily Life. Previously seen in Madrid, this historical exhibition is designed to reconstruct a picture of life in Spain at the end of the last century. Painting is its mainstay - also included are books, newspapers and other objects of the time; from Friday until Jul 1

BERGAMO

EXHIBITION

Accademia Carrara
Lorenzo Lotto: Rediscovered Master of the Renaissance. 50 paintings, many of them on loan from churches and museums; to Jun 28, then transferring to Paris

BERLIN

CONCERTS

Philharmonie
Tel: 49-30-2548 8854
Berlin Philharmonic Orchestra: conducted by Claudio Abbado in works by Mozart, Rihm, Brahms and Schumann; Apr 25, 26, 28

DANCE

Deutsche Oper
Tel: 49-30-34384-01
La Sylphide: revival of a production designed by David Walker and directed by Peter Schaufuss, after August Bournonville; Apr 25, 26; May 1

OPERA

Deutsche Oper
Tel: 49-30-34384-01
Lohengrin: by Wagner. Revival of a production conducted by Christian Thielemann and staged by Götz Friedrich; Apr 26, 30

BOLOGNA

OPERA

Teatro Comunale
Tel: 39-51-629 999
www.teatrobo.it/bo/teatroculturale
Don Pasquale: by Donizetti. La Scala production conducted by Mauro Berti and Roberto Poliari in a staging by Stefano Vizioli. Cast includes Ruggero Raimondi; Apr 28, 30

BOSTON

EXHIBITION

Museum of Fine Arts, Boston
Tel: 1-617-267 8300
A Grand Design: The Art of the Victoria and Albert Museum. North American tour of selected objects from the V&A's collection. Consists of 250 works of art ranging from Leonardo da Vinci's notebooks to shoes by Vivienne Westwood; to May 17, then transferring to Ontario

BRUSSELS

EXHIBITION

Musées Royaux des Beaux-Arts de Belgique
Tel: 32-2-508 3333
Magritte: comprehensive retrospective of the Belgian surrealist, celebrating the centenary of his birth; to Jun 26

CANBERRA

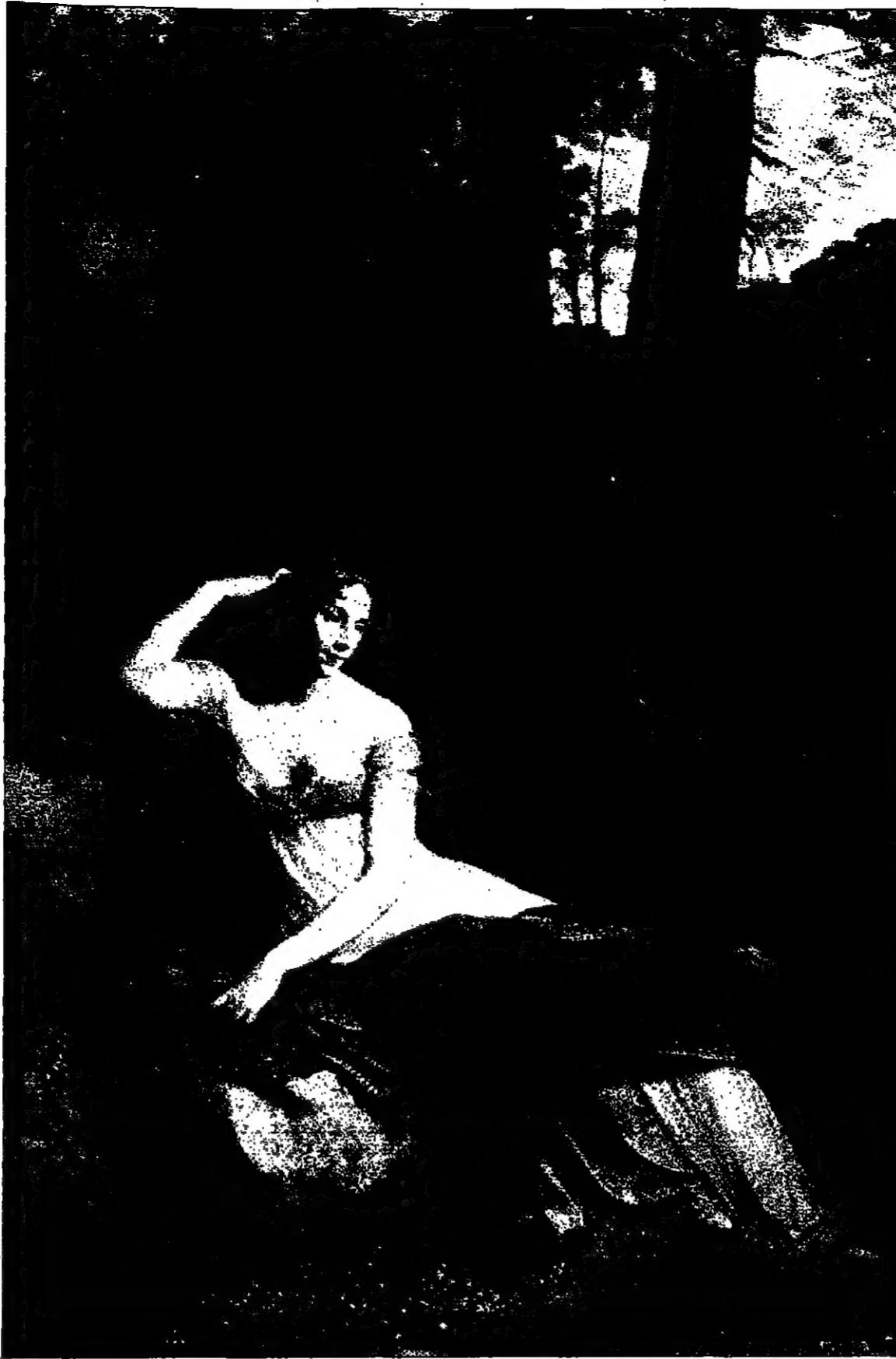
EXHIBITION

National Gallery of Australia
Tel: 61-2-624 6302
www.nga.gov.au
New Worlds from Old: 19th Century Australian and American Landscapes. 100 paintings by artists including Augustus Earle, Conrad Martens, Thomas Cole and Winslow Homer; to May 17

CHICAGO

CONCERTS

Orchestra Hall
Tel: 1-312-294 3000
www.chicagoorchestra.org
Chicago Symphony Orchestra



Josephine at Malmesbury by Pierre-Paul Prud'hon, from his first US retrospective at the Metropolitan Museum of Art in New York

American premiere of Carter's Clarinet Concerto, conducted by Pierre Boulez with clarinet soloist John Bruce Yeh. The programme is completed by Mahler's Symphony No. 1 in D Major; Apr 25, 26, 28

● Chicago Symphony Orchestra: conducted by Pierre Boulez in works by Ravel, Ligeti, Messiaen and Rousset. With piano soloist Pierre-Laurent Aimard; Apr 30; May 1

COPENHAGEN

EXHIBITION
Louisiana Museum of Modern Art, Humlebæk
Tel: 45-4919 0719
www.louisiana.dk
Francis Bacon: major retrospective, including loans from around the world; ends tomorrow

DUBLIN

EXHIBITION

Irish Museum of Modern Art
Tel: 353-1-672 6900
● Brian Cronin: Fat Face With Fork. First exhibition in Ireland of work by the Dublin-born, New York-based illustrator. Spans his career from his first illustration to recent drawings, and includes sketches and source material; to Jun 1

● Peter Shelton: godspipes. Monumental sculptural piece by the Los Angeles-based artist, b.1951. Inspired by the human body, it comprises hundreds of lead and fibreglass pipes, installed in the museum's West Wing; to Jun 14

EDINBURGH

EXHIBITION

Scottish National Gallery of Modern Art
Tel: 44-131-624 6200
Sacred and Profane: Cakum Colvin. Display of 10 specially-commissioned works of constructed photography by one of Scotland's leading contemporary artists; from today until Jun 28

FLORENCE

OPERA

Maggio Musicale Fiorentino
Tel: 39-55-211158
www.maggiofiorentino.com
The Lady Macbeth of the Mtsensk District: by Shostakovich. New production by Lav Dodin, conducted by Semyon Bychkov; Teatro Comunale; Apr 26, 29

FORT WORTH

EXHIBITION

Kimbell Art Museum
Tel: 817-328451
www.kimbellart.org
● Ancient Gold: The Wealth of the Thracians. 200 pieces of gold and silver including weapons, rings, necklaces and ornaments, from the Republic of Bulgaria. Metalwork is the principal

INTERNATIONAL ARTS GUIDE

Royal Academy of Arts

Tel: 44-171-300 8000

Holy Russia: icons and the Rise of Moscow 1400-1600. 50 rarely exhibited icons lent by Russian museums are the centrepiece of this exhibition, which also includes 16 manuscripts; to Jun 14

Tate Gallery

Tel: 44-171-887 8000

Bonnard (1867-1947): major retrospective of the French painter, comprising more than 100 works including landscapes, still lifes, a series of nudes depicting Marthe, Bonnard's lifelong companion, and several self-portraits; to May 17, then transferring to New York

Victoria and Albert Museum

Tel: 44-171-932 8500

The Power of the Poster: including classic images from 1860s and 1890s as well as the work of contemporary designers and agencies; to Jul 26

OPERA

English National Opera, London Coliseum

Tel: 44-171-632 8300

La Bohème: by Puccini. Steven Pimlott's production is revived by Barry Atkinson and Frances Moore, and conducted by Alex Ingram; Apr 26; May 1

LOS ANGELES

OPERA

LA Opera, Dorothy Chandler Pavilion

Tel: 1-213-972 8001

Il Trovatore: by Verdi. Conducted by Gabriele Ferro in a staging by Stephen Lawless. Cast includes Vladimir Bogachov; Apr 29

MADRID

EXHIBITION

Fundació "la Caixa"

Tel: 34-1-35 4833

From Whistler to Sicker: joint retrospective of the two painters which aims to introduce their work to the Spanish public by contrasting their differences. The exhibition will demonstrate the influence of Velázquez on Whistler as well as that of Whistler on Sicker; to May 17

MOSCOW

EXHIBITION

Pushkin State Museum of Fine Arts

French Master Drawings from the Pierpont Morgan Library. 120 drawings, sketchbooks and albums. Highlights will include works by Cézanne, Delacroix, Ingres and Poussin; to May 10

MUNICH

CONCERTS

Philharmonie Gasteig

Tel: 49-89-5451 8181

● Königlich Flämische Philharmonie: conducted by Mu Hal Tang in works by Mozart, Brahms and Tchaikovsky. With violin soloist Julian Rachlin and pianist Anne Gouraud; Apr 25

● Moscow State Symphony Orchestra: conducted by Pavel Kogan in works by Rachmaninov and Tchaikovsky. With piano soloist Nikolai Petrov; Apr 26

● Munich Philharmonic Orchestra: conducted by Bernard Klee in a programme including works by Debussy and Schoenberg. With soloists including soprano Hildegard Behrens; Apr 27, 28

EXHIBITION

Haus der Kunst

Tel: 49-89-21270

Symposium in England 1880-1910: previously seen in London's Tate Gallery, this show presents work by British pre-Raphaelites alongside that of their European contemporaries. Includes works by Rossetti, Burne-Jones, Watts and Lord Leighton; ends tomorrow

NEW YORK

EXHIBITION

Guggenheim Museum

Tel: 1-212-423 3500

● China - 5,000 Years: comprising more than 500 works of art, ranging from the Neolithic period to the modern, with traditional works displayed at the upturn museum (to Jun 3), and the modern section at the Guggenheim Museum (to May 25).

● Moscow Opera: Parsifal, by Wagner. Concert performance, conducted by Bernard Haitink. The title role is sung by Plácido Domingo; Apr 28; May 1

EXHIBITIONS

Barbican Art Gallery

Tel: 44-171-638 8891

● Shaker: The Art of Craftsmanship. Furniture and decorative arts from the Shaker community at Mount Lebanon; ends tomorrow

● The Art of the Harley: 30 customised motorcycles provide the centrepiece of the display devoted to the 95 year history of the Harley-Davidson company; ends tomorrow

Hayward Gallery

Tel: 44-171-261 0127

www.hayward-gallery.org.uk
Anish Kapoor: one of a generation of British artists who came to prominence in the 1980s, Kapoor creates sculptures using stone, steel, and mirrored metal. This is the first major showing of his work in a public gallery in Britain, and includes massive new stone pieces; from Thursday until Jun 14

National Gallery

Tel: 44-171-829 3321

● Anthony Caro at the National Gallery: Working after the Master. Display of recent sculptures which take their inspiration from painters including Mantegna and Rembrandt; to May 4

● Henry Moore and the National Gallery: celebration of the centenary of Moore's birth, consisting of a selection of his favourites among the Gallery's holdings; to May 31

National Portrait Gallery

Tel: 44-171-306 0055

High Society: Edwardian Photographs. A collection of studio portraits, reprinted from a recently rediscovered cache of original negatives. Subjects include Lloyd George, Winston Churchill and Lillie Langtry; to Jun 21

KOREYAMA

EXHIBITION

Koreyama City Museum of Art

Tel: 81-24-324 5500

● Chuck Close: retrospective of the American painter, comprising 80 works and ranging across his career; to May 26

● Fernand Léger (1881-1955): retrospective comprising some 220 paintings and drawings by the early modernist; to May 27

OPERA

New York City Opera, New York State Theater

Tel: 1-212-570 5570

Paul Bunyan: by Britten. New production directed by Mark Lamos and conducted by Stewart Robertson; Apr 25

PARIS

CONCERT

Salle Pleyel

Tel: 33-1-4561 6529

Orchestre de Paris: conducted by Kurt

Weekend Investor

Wall Street

Equities take a cue from the movies

John Authers thinks the market is close to being as good as it gets

Each year, at least one phrase from a film seems to make it into American common parlance. Last year, appropriately enough, it was "Show me the money" from *Jerry Maguire*, a story about the murky realms of professional athletes and their enormous salaries. This year, the catchphrase seems to be "As good as it gets". It has been applied to almost everything since the film of the same name was released. It certainly applies to the equity market.

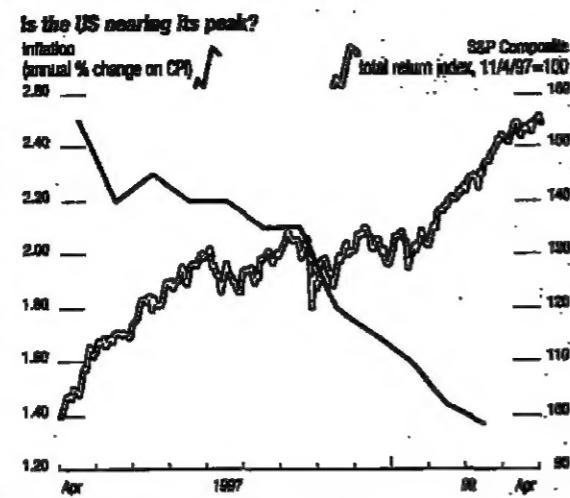
Over the past 12 months, the Standard & Poor's 500, a broad index of 500 large companies, has logged the kind of performance normally associated only with high-risk venture capital funds. Since the beginning of last April, it has returned 50.1 per cent. Since April 11 1997, when it went into a trough after a nasty correction following the Federal Reserve's decision to tighten interest rates, it has returned 54.4 per cent. This is as good as it gets.

Anyone who put some savings into a conservative index fund 12 months ago has increased their investment by half - and many investors did just that. Meanwhile, consumer prices have barely increased enough for anyone to notice, with the annual rate of inflation slipping from 2.5 to 1.4 per cent over the same period. Real returns like this are unlikely to be recorded again, particularly from such a broadly diversified investment.

The S&P's rally is not without foundations. Liquidity is good, and the flows of cash into stocks are buoyed by the legions of small investors who, no doubt, feel extremely smug about buying into the market a year ago. They are, therefore, likely to have the patience to stay invested in the event of a downturn, which enhances confidence.

Corporate America is lean and efficient, and growing more so. Donaldson, Lufkin & Jenrette points out that reported sales per share for the S&P Industrials grew by only 3.2 per cent last year, while profits rose by more than 10 per cent.

"Downsizing" has proved to be a phenomenon which has outlasted the early years



of this decade, and the past year has continued to see a steady stream of companies announcing that they are taking restructuring charges to improve profitability.

Earnings announcements in the past few weeks, covering the second full quarter since the Asian financial turmoil began late last summer, have bolstered stocks. Oil companies have had a torrid time, and there has been a smattering of unpleasant surprises, notably from Boeing.

But while Asia seems able to inflict pain on companies' bottom-line results, it has not, for the most part, stopped them recording increased profits. Dealers appear to be convinced that the turmoil has not turned into the full-scale rout for US exporters' earnings which some had predicted.

Even so, the annual rate of growth in profits for the 370 S&P 500 companies which have reported as far is only 3.3 per cent. This figure is unlikely to change much after the remaining companies have reported. How can companies have grown in value by more than 50 per cent on the stock market while building their profits by only 3.3 per cent?

According to Charles Hill, of Boston-based First Call, this is the slowest annual rate of increase in profits during the present expansion, which has now lasted for six years. While forecasters expect profit growth to pick up later this year, it seems to be one of many signals that the market is reaching a peak. Signifi-

cantly, the market professionals themselves are sending the signals.

On Wednesday, the Bank of New York, a staid institution which underwrote the first US treasury bond, made the biggest unsolicited takeover proposal for another bank. Its target is Mellon, the Pittsburgh-based commercial bank which is more identified than any other with financing the industrial revolution in the US. The bid is funded wholly in stock.

Even partners of Goldman

Sachs, the global investment bank which has retained its partnership status through thick and thin, seem now to judge that the timing will never be better to look for a market flotation. They are set to consider going public in the summer.

Earlier this month, Steven

Wolitzer, global head of

mergers and acquisitions at

Lehman Brothers - which

has benefited as much as

any investment bank from

the recent surge in acquisi-

tions activity - asked in as

many words if the market

was as good as it gets. Having

just advised on a \$3.5bn

takeover (small change these

days), he told the Financial

Times: "Nothing seems to be

stopping here and, while

that is wonderful for busi-

ness, if you step back you

can't help thinking, geez,

this is peaky."

Dow Jones Ind Average

Monday 9141.84 - 25.86

Tuesday 9184.94 + 43.10

Wednesday 9176.72 - 8.22

Thursday 9143.33 - 33.39

Friday

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WEEKEND INVESTOR

New issues

ARM Holdings
priced at £264m

Shares in ARM Holdings were priced at 375p yesterday, writes Christopher Swann. This valued the Cambridge-based microchip designer, which is floating on the London Stock Exchange and the US Nasdaq market, at £264m. The price – at the upper limit of the indicative price range – reflects strong demand from institutional investors.

□ Game, the computer games retail specialist, is planning to double its chain of stores to 120 within three years of its flotation later this spring. It announced plans yesterday for a placing designed to raise £25m, including £10m to back the expansion plans.

□ Matalan, an out-of-town clothing retailer founded 13 years ago by John Hargreaves, is to be floated through a placing which is expected to value it at £200m. The company, which has 75 stores and sees scope for 200, plans to issue £60m worth of shares, equal to 30 per cent of expected market capitalisation.

□ Virgin Games, a software developer, is to raise £7.5m, via a rights issue at 1 for 3 at 45p.

□ Offers for sale, placings & introductions

None

■ Last week's preliminary results

Company	Sector to	Year	Pre-tax	Margin%	Dividends
American Pres Inc	MTY	Feb	116.14 (61.29)	34.35 (15.79)	28.1 (7.9)
Alimentation UK	MTD	Dec	58.2 (48.2)	22.8 (13.8)	9.2 (8.5)
Alpha Airports	MTD	Jan	15.3 (7.8)	4.02 (3.7)	5.3 (5.3)
Argos Holdings	MTD	Dec	15.8 (1.8)	1.02 (0.12)	12.8 (16.1)
Argos Holdings	Prep	Dec	74.0 (2.0)	20.0 (1.6)	0.2 (1.0)
Argos Holdings	Prep	Feb	74.0 (2.0)	14.1 (1.6)	0.2 (1.0)
Argus	MTD	Feb	132.2 (57.76)	3.8 (-)	2.4 (-)
Artex	MTD	Jan	7.91 (2.77)	17.1 (14.2)	7.5 (8.5)
Artex	MTD	Feb	7.91 (2.77)	10.1 (-)	3.75 (-)
Bank of Scotland	MTD	Jan	702.8 (664.1)	35.3 (31.8)	3.8 (2.8)
Barclays Health	MTD	Dec	0.72 (0.72)	0.92 (0.31)	0.1 (-)
Barclays Health	MTD	Jan	11.2 (2.77)	51.65 (7.49)	0.5 (2.78)
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